

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, OCTOBER 6, 1927



DEPENDABLE

THE Insurance Company of North America is the oldest American fire and marine insurance company, with a 135-year record of obligations promptly and satisfactorily met.

The dependability of North America protection and North America service is well known to agents and policy-holders and, through national advertising, to the insuring public at large.

**Insurance Company of
North America**

PHILADELPHIA

and the

Indemnity Ins. Co. of North America

write practically every form of insurance except life



Inquiries Invited

THE Philadelphia Fire and Marine Insurance Company invites progressive agents to consider the many advantages of writing this strongly established and widely respected property protection.

Our policies cover the practical needs of property owners. In organization and service we are equipped to assure the complete satisfaction of policyholders and representatives. Write for information on Philadelphia Fire and Marine lines.

PHILADELPHIA FIRE and MARINE INSURANCE COMPANY

HEAD OFFICE:

1600 Arch Street, Philadelphia, Pa.

200 W. Jackson Blvd., Chicago, Ill.

200 Bush Street, San Francisco, Cal.

8th Floor, Hurt Bldg., Atlanta, Ga.



FINANCIAL STATEMENT

MARYLAND INSURANCE COMPANY

95 MAIDEN LANE
NEW YORK

ASSETS

Bonds and Stocks (Actual market value December 31, 1926)	\$ 915,566.00
Cash in Bank and in Office	1,092,005.76
Premiums in course of collection	179,007.93
Other Assets	7,105.17
	\$2,193,684.86

LIABILITIES

Unearned Premium	\$ 253,552.23
Losses in process of adjustment	55,739.00
Reserve for taxes and other bills	20,700.00
	\$ 329,991.23

Capital	\$ 750,000.00
Net Surplus	1,113,693.63
Policyholders' Surplus	1,863,693.63

	1925	1927
Net Premiums	\$ 292,811.52	\$ 520,663.90
Assets	1,048,263.38	2,193,684.86
Liabilities	273,265.18	329,991.23
Capital	500,000.00	750,000.00
Surplus	274,998.20	1,113,693.63

This Company Is Owned and Operated
by the

NIAGARA FIRE INSURANCE COMPANY
OF NEW YORK

The Rough Notes Co.

OFFICE SYSTEM

EX-AMINING FOR THE INSURANCE MAN

INSURANCE SUPPLIES



S-E-R-V-I-C-E Pays a Handsome Profit

SERVICE to your policyholders, whether large or small, builds your business on a solid, substantial basis that yields a greater profit year after year. Render a personal and appreciated service by giving each policyholder a policy file, something that he may keep his policies and valuable documents in. Your card printed on each file guarantees your receiving full advertising value for each file given out.

No. 99, Red Tag Policy File. This envelope is made up of exceedingly tough texture and possesses enduring wearing qualities; at the same time it is light in weight. The low price makes it an excellent advertising medium. Size, 10 1/4 in. long by 4 1/2 in. wide. Capacity, six to ten policies. Prices: 1,000 \$27.00; 500, \$14.25; 100, \$3.00; 50, \$1.65; 25, \$0.85; 12, \$0.45.

Additional Charge for Imprinting. Prices quoted above do not include imprinting advertising card. Cards of not more than four lines will be imprinted at the following rates: 100 or less, \$1.50; 200, \$1.75; 300, \$2.00; 500, \$2.50; 1,000, \$3.50. Imprinting of cards of more than four lines or requiring special composition, will be billed at cost. Quotations on request.

No. 97, Expansive Policy Files. This style has sufficient expansive capacity to admit twenty-five or thirty policies and documents. The envelope is made of tough stock, having two bands of rubber at either end for holding policies securely. A record of companies, expirations, etc., is printed on the inside of flap. Prominent space is reserved for advertising card. Size, 4 1/4 in. wide by 10 1/4 in. long. Prices: 500, \$57.00; 100, \$12.00; 50, \$6.60; 25, \$3.30; 12, \$1.60.

For Sale by

The National Underwriter Co.
1362 Insurance Exchange Bldg.
Chicago, Illinois
429 East Fourth Street, Cincinnati
80 Maiden Lane, Room 813, New York
313 Iowa National Bank Bldg., Des Moines

THE East and West Insurance Company of New Haven CONNECTICUT

Do you need in your Agency a Company capable of understanding your needs, one willing to help work out your fire insurance problems?

Do you want in your Agency a Company that pursues a stable and consistent underwriting policy year after year?

The East and West is such a Company. It is a valuable addition to any Agency.

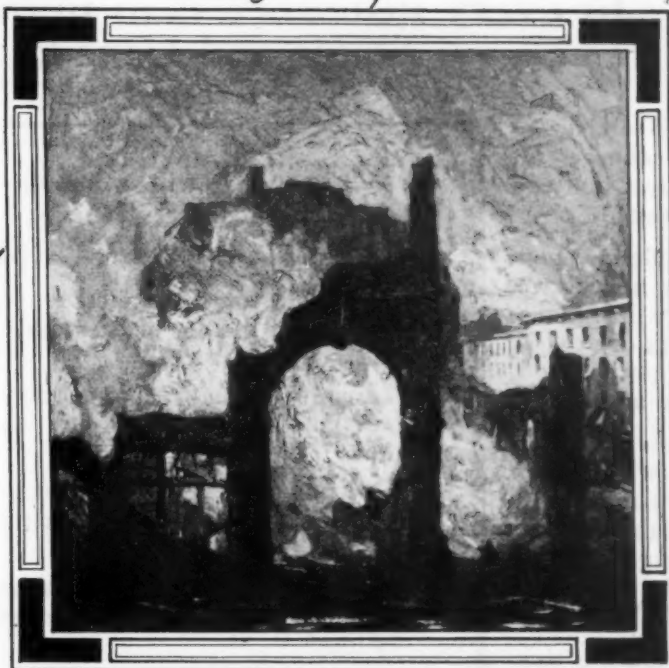
Owned by and under the Management of
Security Insurance Company of New Haven

Western Department
ROCKFORD, ILLINOIS
Walter D. Williams, Manager

INSURANCE OFFICE SYSTEMS SUPPLIES AND PUBLICATIONS

THE NATIONAL UNDERWRITER. Published weekly by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Thirty-first year. No. 40. Thursday, October 6, 1927. \$4.00 a year, 20 cents per copy. Entered as second class matter February 24, 1900, at post office at Chicago, Illinois, under Act of March 3, 1879.

*Completely
protected by*



FIRE INSURANCE

IN spite of efficient motorized fire departments—improved fire fighting devices—and approved fire alarm systems, nearly \$500,000,000 in property values was destroyed last year by fire.

Fire Insurance does not depend upon the speed of the engines—the efficiency of the equipment or the accuracy of the alarm system—but upon the millions of resources set aside for the payment of its just claims.

Adequate fire insurance is the only protection available to property owners against the unexpected disaster which uninsured, might mean financial ruin.

Fire Prevention
Week—Oct. 9-15.

Fire Prevention Week offers an unusual opportunity for agents to suggest complete insurance protection to their clients and prospects.

The
**PALATINE INSURANCE
COMPANY LIMITED**

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

FREE

A Complete Interpretation of One of the Most Important New Forms of Insurance

Use and Occupancy Coinsurance Form

FREE to every insurance man in the United States and Canada **FREE**

WE are prepared to send absolutely without charge or obligation a copy of our bulletin on the U & O Coinsurance Form.

This bulletin completely and lucidly interprets this new form. It is written by a fire insurance man who has had years of experience in the field in conjunction with well known legal and insurance authorities.

The two pages which are needed to cover the subject are crammed full of valuable selling pointers on this coverage. A two cent stamp may be the means of making hundreds of dollars.

The company distributing this U & O Insurance Form bulletin issues every ten days similar bulletins on other coverages and subjects in which fire agents, adjusters and insurance men are vitally interested.

These bulletins help the agent sell insurance. Every consistent user of the service is a booster. Typical of the expressions which we received from insurance men

CAN YOU ANSWER THESE QUESTIONS ABOUT THIS NEW FORM

1. How does coinsurance coverage vary from the per diem, weekly and seasonal forms?
2. How do you figure an insurable amount to be applied under this form?
3. Do you know what the coinsurance clause demands in figuring a U & O value?
4. What does the insuring clause agree to pay the assured in case of loss?

GET THIS FREE BULLETIN FOR THE ANSWERS.

is this one from Cashman & Evans, insurance men of Denver, one of the prominent agencies of Rocky Mountain territory.

"George Carter, 665 Insurance Exchange, Chicago, is putting out an agency bulletin under the name Insurance Producers Bulletin for \$8 for two years.

"It consists of hints and methods for increasing your business, and an analysis of every popular form of policy issued in all lines. It comes in a loose leaf binder, having one sheet devoted to a subject in a concise, readable form. We are convinced that an aggressive agent can make back its entire cost the first month he uses it. Beside, it constitutes a ready reference for instantaneous use to determine coverages."

Such striking commendation must be deserved. Send for this free bulletin on U & O coinsurance form today and see for yourself how valuable a service such as this can be in aiding you to sell insurance.

Omaha, September 29, 1927.
Insurance Producers Bulletin,
665 Insurance Exchange Bldg.,
Chicago, Illinois.
Mr. George Carter, Editor.
Dear Mr. Carter:

We thank you for your letter of the 28th instant enclosing copy of your Bulletin No. 41 covering the subject of Floater Insurance—Merchandise in General, which we believe will meet with our requirements, as outlined in our letter of September 21st addressed to you on this subject.

We find a lot of valuable information given in each of your bulletins and are looking forward with much pleasure to the time when our file will be complete with a bulletin covering each of the subjects indexed on your list, about which we wrote you some time ago.

Yours very truly,
C. O. TALMAGE,
Manager.
Columbia Fire Underwriters.

Insurance Producers Bulletin Insurance Exchange Building Chicago, Illinois

Please send me your Use and Occupancy Coinsurance Form Bulletin in accordance with your Free Offer—it is understood that no obligation is incurred by me in sending in this coupon.

Name

Street

City State

Thirty-first Year, No. 40

\$4.00 Per Year, 20 Cents a Copy

**President H. A. Clark Opens
Semi-Annual Meeting of
Western Bureau.**

Sees Strides Made, but Points to Numerous Pitfalls Still in the Path

A black and white portrait of a man with dark hair, wearing a suit and tie. He is looking directly at the camera with a slight smile. The background is dark and out of focus.

before the opening session of the semi-annual convention of that organization here today. Mr. Clark said in part:

"The trend of business as a whole augurs well for a continuance of the present optimistic tone in our business. However, underwriters must ever be alert to detect the constant change in the aspect of business conditions. We are living in an age of rapid advancement and improvement in all lines of commercial and industrial activity. Moral hazard develops suddenly because of these frequent and abrupt economic changes. Risks of certain classes considered today as preferred and profitable may ere tomorrow become of a most undesirable character. Particularly is this true in the small towns where the development of good roads, the use of automobiles, and the growth of chain stores, has materially affected business conditions. The retail trade tendencies in these towns are evolutionary in character, and call for the most careful

A REMARKABLE tribute to the spirit with which fire insurance companies meet their obligations was paid by John C. Luning, insurance commissioner of Florida and former president of the Commissioners' Convention, before the National Convention of Insurance Commissioners last week. Commissioner Luning arose during the proceedings and stated that he felt that a tribute was due the companies and he desired to speak his mind freely so that the public at large would have the benefit of the observations he had made. He referred to the devastating hurricane that struck Florida a year ago. He said that many people were in distress and had met with loss of various degrees.

He said that all the fire companies having tornado claims responded nobly and immediately to the calls upon them. They requested him to waive all legal requirements so that they could send adjusters immediately in the state to take care of claims. In many cases, he said, the companies were not legally liable. When investigation showed that a claim was worthy and there was a moral obligation the companies observed the spirit rather than the letter of their contract. All responded nobly to his request. There was no haggling or quibbling over claims. There was a ready spirit at all times to do the right thing. He expressed his gratitude to the companies for the manner in which they acted.

Commissioner Stacy W. Wade of North Carolina said that the audience had been impressed by Mr. Luning's remarks. He said that the National Board had rendered valued service at the time of the storm in Florida in furthering the cause of loss adjustments through its machinery. He asked that Wilfred Kurth, vice-president of the Home of New York and former presi-

thought and analysis on the part of the underwriter.

"The so-called chain-store octopus affects not only the retail trade in practically every quarter, but has a most profound influence on several very important industries, and on the commercial activity of the nation. When we realize that the business done by the chain stores in 1926 represented approximately 10 percent of the total retail sales, we can readily see the far-reaching effect not only on the independent retailer, but on industries supplying goods adaptable to the chain store system of merchandising. The system having met with universal popular acclaim, is no doubt here to stay, and with its many and widespread ramifications, underwriters may well ponder as to the destiny of this type of merchandising, its effect upon the independent dealers, the consequent reaction upon our business, and formulate an underwriting policy embracing the many intricacies which the problem presents.

"The situation in our farm business shows little improvement, although there is a comforting thought in crop statis-



dent of the National Board, be requested to respond to Commissioner Luning. Mr. Kurth said that in the fire insurance committee, while there were sometimes disagreements, yet all discussions were made in good temper. He said that Mr. Luning's statement was surprising, coming from the head of a state department. It was unusual but most agreeable. He said that the National Board and the companies had desired at all times to meet their obligations heroically and efficiently, especially in time of calamity. The spirit of the companies evidenced in Florida is the same as has been exhibited in every other place.

tics which bespeak good business, and we hope better times for the farmer, with its favorable reaction in farm underwriting. The farmer himself while contributing his share toward the general business activity by a superabundant crop, nevertheless finds himself, for the immediate present, at least, in practically the same unhappy position that he has occupied for several years past. Farm population is decreasing, farm labor so scarce it is almost unavailable, and farm land values lower today than before the war. The decline in farm population and the value of farm lands cannot go much further without seriously curtailing the output of farm products. Possibly this would be a good thing for the farmer, after all, since it does not relieve the situation for him to have an abundant crop with little or no demand for his output at a price that will return even a small profit if he does not in fact sell at an ultimate loss. The trouble with the American farmer today seems to be that he is realizing abundant prosperity but no profits.

(CONTINUED ON PAGE 38)

Accurate Compilation Will Be Impossible for Weeks, Adjusters Say

**Few Individual Payments on Buildings
Are Expected to Exceed \$100,000—
Smaller Claims Numerous**

St. Louis without outside aid has begun the work of rehabilitation from the tornado which on Sept 29 wrecked about 3,200 homes and about 100 business houses and seriously damaged upwards of 2,000 other buildings, killed 78 persons in the city and 6 in Venice, Madison and Granite City, Ill., injured about 1,000 persons.

An accurate estimate of the property loss at this time is absolutely impossible. Estimates of various persons who have knowledge of the subject range from \$10,000,000 to \$100,000,000. Building Commissioner C. C. Christopher, who is an architect, has estimated the minimum loss at \$50,000,000. The insurance loss will probably not exceed \$17,500,000.

Because of lack of regularity in the destruction wrought by the storm it is expected that the final check-up on the loss will be surprisingly low. Another factor in holding down the property loss is the nature of the improvements in the districts damaged.

In all there were probably only a dozen individual losses of \$100,000 or more in St. Louis. In the Tri-Cities the biggest individual loss was that suffered by the power plant of the Illinois Power & Light Corporation at Venice, Ill. Because of the expensive power machinery the total loss to that plant may be \$1,000,000. There were several other major industrial losses in the Tri-Cities, but the total loss there will not exceed \$3,000,000.

The storm of Sept 29 was the second of unusual severity to strike St. Louis within five months. On May 9 a few hours before the tornado struck Poplar Bluff, Mo., a windstorm that attained a velocity of 72 miles an hour wrecked buildings, made streets impassable and killed one man in the collapse of a rooming house. The center of that storm was over the district struck by the one of Sept. 29, but it was more general throughout the city. The insurance claims from the May storm will probably outnumber in the aggregate the number caused by the other, but were for the most part of but small amounts.

St. Louis also had a costly hail storm this year, but the insurance loss was slight, although the total property damage was almost \$1,000,000.

Since the tornado of 1896 St. Louis has carried tornado and windstorm insurance very generally on buildings and

other outdoor improvements, but unfortunately for the victims of the storm comparatively few persons had the foresight to take out adequate tornado coverage on contents.

Building and loan associations and other institutions that lend money on St. Louis property have insisted on tornado insurance for the protection of mortgages, but many of the buildings in the path of the storm were very much under-insured. For that reason it is doubtful that the insurance loss on buildings will be much in excess of 50 percent of the actual loss, while only about 5 percent of the destroyed contents were protected by tornado coverage, except in industrial plants.

Fire Negligible Factor

Unlike the tornado of May, 1896, and the Murphysboro disaster, fire was not a factor in the destruction of property. While the fire department responded to 75 alarms immediately after the storm there was only one serious fire in the district.

Data on the probable life insurance loss from the disaster is even more meager than the figures on the damage to property and contents. There is little opportunity at this time to check up on accident insurance claims.

Based on the population of the storm districts it is probable the life insurance loss will not exceed \$250,000. Some estimates are that the average claim will not exceed \$2,000. Comparatively few of those killed and injured had accident insurance coverage, although it is certain there will be some such claims filed.

The first attempt to make a complete check of the destruction was made by the St. Louis police department, which reported on Oct. 1 that in seven police districts the property loss, exclusive of contents, was \$8,235,000. In each district the captain was in charge of the survey.

Insurance adjusters already on the scene have declined to venture an opinion as to the storm damage. Some said that a guess of \$75,000,000 might not miss the mark much, but later trimmed that figure considerably. Officials of adjusting companies on the other hand were inclined to believe that the final loss total would greatly exceed the figures reported by the police and other persons and organizations.

A force of about sixty company adjusters were in the city Oct. 4 and more

BUSINESS DISTRICT HIT AT ST. LOUIS



While the damage done by last week's tornado in St. Louis in the business section was not nearly so severe as in the residential districts, this picture shows one of the business districts that was hard hit. The picture was taken at St. Louis avenue, looking north on Grand avenue, showing the wreck of the Lindell Trust building and neighborhood bank. The automobile piled up against the building is typical of hundreds of similar cases and the loss to automobile writing companies will be very heavy.

—Photo International.

are expected within the next week. The entire task of adjustment is under the general supervision of Harvey Russ of New York, chairman of the committee on loss adjustments of the National Board of Fire Underwriters.

It will probably take several months to make all the adjustments accurately, although estimates of the total loss and the insurance loss may be available within a week or ten days.

Adjustment Bureaus Active

The Western Adjustment & Inspection Company, the St. Louis Adjusting Company and the Underwriters Adjusting Company are the company adjusting

bureaus in St. Louis. Some companies have been adjusting their loss through their field men and special company adjusters. The Weiss & Harding Adjusting Company and Mangson & Mangson are the public adjusting organizations in the city. Both have been active in soliciting claims for adjustment. Fire underwriters have been advising the tornado victims to settle their losses without outside aid.

Under the Missouri laws the companies have 60 days in which to settle after the amount of the loss has been ascertained and agreed to, but in ordinary times settlements are made within two weeks after the loss. In

the present emergency every effort will be made to speed up payment of claims.

All Probably Can Pay

While some of the companies that specialized in residential insurance, considered the cream of the St. Louis business, were undoubtedly hard hit, it is certain that all will be in a position to settle immediately all claims on satisfactory adjustment of the losses. It is doubtful that any insurance company will be called upon to \$1,000,000 as its individual share of the total insurance loss. Adequate reinsurance facilities undoubtedly protect all of the stock insurance companies operating in St. Louis, although it is possible that some of the small mutual companies may be embarrassed when called on to settle their claims. However, the amount of mutual insurance affected is comparatively small.

J. K. Nelson of Chicago, temporarily in charge of the St. Louis office of the Western Adjustment, said that after some of the inspectors for the company had made a hasty check up in parts of the storm zone they reported that almost unbelievable havoc had been wrought. C. S. Lawton of the Lawton-Byrne-Bruner agency declined to fix a definite estimate, but expressed the view that the loss would run into many millions. J. B. Ruthmeyer of the St. Louis Adjusting Company said that any estimate of the probable loss would be merely a guess, and that at present one guess is as good as another.

Estimates Are Varied

H. C. Jensen of the Underwriters Adjusting Company said that it will take many days to get an accurate estimate of the damage and for the time being he withheld an estimate. Charles-M. Talbert, vice-president of the Standard Underwriters Agency and president of the Fire Underwriters' Association of St. Louis said \$50,000,000 will probably be the maximum loss.

The tornado was followed by an extraordinary rainstorm that swept the stricken zone. Heavy rains fell on Oct. 1, and it is certain that the water damage to the ruined structures will greatly increase the initial loss caused by the wind. The contents of the buildings have especially suffered by the rains, and roofs and walls of the damaged

(CONTINUED ON PAGE 38)

PICTURES SHOW HAVOC WROUGHT BY TORNADO IN ST. LOUIS



These pictures show some of the havoc wrought by the tornado sweeping over St. Louis last week, which razed 3,200 homes and 100 business establishments and damaged at least 2,000 other buildings, with a total property loss which is variously estimated at from \$50,000,000 to \$100,000,000 and an insurance loss that may run as high as \$17,500,000. The greatest damage was done in the residence section, the area covered by the storm being one which included a number of large apartment buildings. Both of these pictures show what happened to structures of that sort. There were several cases where the walls were completely removed on one side, being torn out rather than blown in. This condition is attributed to the vacuum which follows in the wake of a tornado and often does almost as much damage as the twister itself.

—Photos International.

ADJUSTMENT BUREAU SET UP IN ST. LOUIS

Companies Intend to Proceed in
Careful, Orderly Manner in
Handling Claims

CO-OPERATION IS ASKED

National Board Acts Promptly to Co-
ordinate Work of Adjusters—
Harvey W. Russ in Charge

When news of the St. Louis disaster reached New York the National Board dispatched two of its staff to the stricken city, together with complete adjustment equipment held for such emergencies. Harvey W. Russ, one of the most competent adjusters in the country, is in charge of the work for the National Board and will give all possible aid to collection and tabulation of data that will make for prompt and proper settlement of claims.

Every member of the National Board has been supplied with uniform blanks upon which to prepare a tabulation of its losses. W. E. Mallalieu, general manager of the National Board, wired the president of the St. Louis chamber of commerce as follows:

"The National Board of Fire Underwriters, with deep appreciation of and sympathy in the loss sustained by the citizens of your splendid city, is sending today our general adjuster, Harvey W. Russ, and staff to establish an office in order to coordinate and facilitate adjustment of losses incurred under the policies of its 214 stock fire insurance company members, so that such monetary relief as is involved thereunder may be equitably and speedily extended. Mr. Russ will report to you on his arrival."

Citizens Asked to Cooperate

In all the St. Louis papers appeared the following announcement:

"To facilitate adjustment of claims, please submit promptly to this office, or to your agent, an estimate of the damage sustained to your property and at the same time present your policies for examination. Competent adjusters to give prompt attention to all claims are now on the ground. Your cooperation with this committee will expedite adjustments." This was signed by Mr. Russ for the National Board.

The personnel of the adjustment board is as follows:

B. G. Chapman, Jr., American Central chairman; W. B. Henry, Continental; Donald Henry, Commercial Union; Dudley Thomas, Great American; Joseph K. Nelson, Western Adjustment Company; C. A. Proudfoot, Milwaukee Mechanics; F. J. Fuessell, Rhode Island; Edward J. Weinfurth, Dubuque; C. C. Chilcote, Underwriters Adjusting Company.

Partial Losses Cause Trouble

According to one of the best known and most competent adjusters in the business, the hardest adjustment problem in the situation will arise out of partial losses on the older type dwellings which are in the transition from homes of single families through tenements and rooming houses to decay and replacement by industrial plants. For a long time the adjustment situation in St. Louis has been bad because of doubtful values of property of this type. The present situation brought to company officials' attention the need for united action, and the adjustment board has been established to insure that orderly, painstaking methods will be used in handling losses. All losses will be

EXCESS COMMISSIONS IN EXCEPTED CITIES

INVESTIGATION TO BE MADE

Insurance Commissioners Convention
Will Have Special Investigation
of the Subject

At the meeting of the National Convention of Insurance Commissioners in Cincinnati last week, a motion prevailed that the fire insurance committee be asked to make a special investigation of the effect of excess commissions paid by fire companies in "excepted cities" on rates. The point was made that throughout the country there are special cities where excess commissions are paid until in some cases the abuse has become so flagrant that the amount paid is an outrage on the public.

Situation in Central West

It was stated that in the central west, for example, the ruling rate of commission was 15, 20 and 25 percent, graded according to classification of risks. In Chicago, Cleveland, Cincinnati, Louisville, St. Louis and Milwaukee, companies paid much higher commissions. Instances were cited to show that competition in some of these cities has reached the point where a halt should be called. The companies claim that they are powerless, owing to the strangle hold the local agents have on a number of the company officers.

Effect on Rates

The point was made by some of the commissioners having jurisdiction in states that have no "excepted cities" that the rates in their states were undoubtedly higher because of the excess acquisition cost in some of the cities. It was claimed that the companies need not pay excess commissions in large cities to get the business and handle it properly. Detroit, for example, one of the largest cities in the country, is on the same commission basis as Sandusky, Ohio, or Lawrence, Kan. Many of the commissioners expressed themselves as being in favor of some concerted action on part of state officials to force fire insurance acquisition cost in favored cities down to a point that is reasonable.

The fire insurance committee decided to refer this subject to a sub-committee consisting of Col. Joseph Button of Virginia, H. P. Dunham of Connecticut and Ben Hyde of Missouri. Two others were added to the sub-committee although they are not as yet members of the fire insurance committee, they being C. D. Livingston of Michigan and M. A. Freedy of Wisconsin. Mr. Hyde is still physically incapacitated and probably will not get back to his office, as he suffered a paralytic stroke. Actuary Robert E. Daly represents him in the convention work.

checked as to assignment and location to minimize duplication.

Instructions have been issued to all adjusters of all companies that they must report to the loss committee, which will handle all matters excepting routine. Adjustments will take an orderly course.

Policyholders Scattered

A complicating feature of the situation is absentee landlordism. It is pointed out that the owners of the majority of the dwelling properties destroyed do not live in the city. They are scattered all over the world. Before adjustments can be made it will be necessary for the companies to obtain the policies these owners hold.

Only two industrial plants are reported seriously affected. The majority of the structures destroyed are dwelling and institutional buildings. It is also reported that practically none of

COERCIVE POWER USED TO SWING INSURANCE

INTERESTING DISCUSSION UP

Insurance Commissioners' Convention
Members Make Observations on Ap-
pointment of Insurance Agents

The banker as an insurance agent loomed up on the horizon at the Insurance Commissioners' Convention in Cincinnati. Many commissioners evidently are becoming more opposed to the appointment of agents where so-called coercive financial power is used to swing business to their offices. Commissioner Luning of Florida cited a case where a life agent had convinced a prospect that he should buy life insurance. The prospect found it necessary to go to his bank to make a loan to pay the premium. As is customary, the bank president inquired what he intended to do with the money. The man told the banker that he had decided to buy life insurance, naming the agent who had canvassed him. The bank president then told him that he should favor his friends and should buy his life insurance from the cashier, who represented just as good a company as the other agent. The bank president hinted that he would make the loan provided he bought the insurance from the cashier.

Luning Takes a Hand

The other agent took the matter up with Commissioner Luning, who at once got in touch with the company represented by the cashier. The company told him that the responsibility rested with the general agent who had jurisdiction over that territory. The general agent upheld the bank cashier. Commissioner Luning had no authority in the matter but referred the case to the Jacksonville Life Underwriters Association, which voted to uphold Commissioner Luning's position with one negative vote cast, this being the general agent whose sub-agent was the banker. Mr. Luning then took the matter up again with the offending company and induced it to withdraw the pressure of a bank cashier and allow the original agent to handle the case.

Sullivan Defines Position

Commissioner J. E. Sullivan of New Hampshire in discussing the pressure brought by finance companies in representing insurance institutions to write automobile insurance stated that he had ruled against the appointment of any agent where the lending power of the institution with which he is connected is used to force insurance in his direction. He thinks therefore that a bank, finance automobile company or any other institution that can use force in this way cannot function as an insurance agent. He has based his ruling on the anti-rebate law of his state.

the contents of the dwellings destroyed was insured.

Fire Attacks Hotel

The only serious fire following the tornado attacked the Roselle hotel. The fire alarm system in the stricken area was deranged by the wind and the man reporting the fire had to ride a bicycle to the nearest station and make the report in person. The fire apparatus was greatly hampered in responding to the call by debris in the streets.

Many western loss department heads and company officials have arrived in the city and all companies are insisting that if their agents and adjusters will cooperate with the loss committee established by the National Board confusion will be prevented. As soon as news of the disaster reached Chicago the Western Adjustment Company gathered together 20 of its aces and sent

(CONTINUED ON PAGE 38)

STATES' RIGHTS ISSUE BECOMES PARAMOUNT

Superintendent Beha of New York
Draws the Fire of Other
Officials

STRONG OPPOSITION SEEN

Commissioners Resent Empire Com-
monwealth Forcing Its Domestic
Policy on Outside Corporations

One of the big questions that came before the National Convention of Insurance Commissioners at Cincinnati last week was the attitude of the New York department in assuming extraterritorial authority over the investments of other state companies. The New York law provides that not more than



JAMES A. BEHA
New York Superintendent

50 percent of a company's surplus can be used in purchasing stocks of other insurance companies. Furthermore this investment must be open and not through a holding company. Mr. Beha stated that the New York companies had complied with this law, resulting in much extra insurance capital being put into business. He insists that outside companies comply with this law and in New York state reports he has cut down the assets of some company groups that have more than 50 percent of the surplus of the parent company invested in subsidiary companies, so that in some cases the surplus is entirely wiped out and an impairment shown.

Dollar Doing Double Duty

Superintendent Beha of New York in his address declared that owing to the interlocking system the same dollar is doing double duty, resulting in the withdrawal of capital that should be back of the insurance companies. He said that through this ownership of other company stocks, the security back of companies is greatly diluted. He stated that New York allows ample liberality as to ownership of stocks of other companies but it does demand a full margin of safety. He thinks the pyramiding of stocks in this way is dangerous and in time of catastrophe companies would find these assets not liquid. He recognizes the fact that business necessities require a measure of liberality but he contends the privileges should not be stretched too far.

This attitude of Superintendent Beha met with strong opposition from a num-

ber of states, the point being made that New York is violating the principle of interstate comity in forcing other companies to make investments according to the New York laws. C. A. Gough, deputy commissioner of New Jersey, followed Mr. Beha with an exhaustive discussion of the situation, upholding the group system as practiced by fire and casualty companies, claiming that it had stood the test of time and was a logical and safe development in the evolution of the business. He declared that the foreign companies had followed this system abroad for a century and it had proved entirely satisfactory. The foreign companies through the deposit system in this country, he declared, are put at a decided advantage over the American companies. The foreign companies started practicing the group system over here and Mr. Gough declared that the home companies were placed at a great disadvantage. Through the group system it is possible for insurance companies to take advantage of a more widely distributed classification of business.

Maloney Participates in Discussion

J. S. Maloney of Arkansas in a brief paper said that in the recodification of the Arkansas laws, which will no doubt be authorized by the next legislature, adequate attention will be given to the discussion of ownership of stocks of companies. He sees danger in the interlocking system. He stated that there is only one domestic Arkansas group, the Home Life, Home Fire, and Home Casualty, familiarly known as the A. B. Banks companies. None of these companies owns the stock of the others.

Dunham Hurls Hot Shot

Commissioner H. P. Dunham of Connecticut came out very strongly against Mr. Beha. He said that every state should respect the individual sovereignty of other states. No state, he said, had the right to force its domestic policy on other states. In Connecticut, for instance, its own life companies can lend only on improved real estate up to 50 percent of the value, while New York permits its companies to invest up to two-thirds the value. Mr. Dunham stated that while Connecticut feels this is a wise law for its own companies, he would not think of cutting down the assets of New York life companies to comply with the Connecticut requirements. He declared it is a gross violation of interstate comity for one state to enforce its domestic laws governing its own corporations on the corporations of other states. Commissioner Dunham declared that this comity between states is a fundamental necessity. It is a legitimate right of a sovereign state to control its own corporations. When it attempts to enforce these requirements on corporations of other states, the utmost confusion is destined to follow.

NEW JERSEY DEPUTY TAKES STRONG ISSUE WITH BEHA

"Insurance Stock Holdings" was the title of Deputy Commissioner Gough's paper. After defining the kinds of companies and company organizations that exist and detailing the history of the origin and development of each kind, he covered investment matters specifically as follows:

Imposition Means Confusion

"Certainly a state has the right to determine the character of securities in which its own corporations may invest, and if it determines unwisely, then its own corporations and citizens will suffer. No state, however, should try to impose its own investment laws governing its own corporations on the corporations of other states. To do so would bring conflict and confusion between states themselves and the corporations and citizens of states, and would improperly hamper commerce and financial transactions, and not only the progress of the individual states, but also the nation.

"In this connection it is perhaps well, (CONTINUED ON PAGE 39)

RANDOM NOTES MADE ON THE FLY AT COMMISSIONERS' CONVENTION

Arthur S. Linnell, deputy commissioner of Massachusetts, has been connected with that department for 35 years. He is the oldest ranking man in the convention with the exception of Henry D. Appleton, first deputy in New York, who has been connected with that department for 42 years. Mr. Linnell started with the Massachusetts department when George S. Merrill was commissioner. He became chief clerk, serving also under F. L. Cutting, F. H. Hardison, C. W. Hobbs and W. E. Monk.

There were four departments at the Cincinnati meeting of the National Convention of Insurance Commissioners that vied with one another as to the number of people on the staff represented. Ohio had Superintendent W. C. Safford, Actuary W. A. Robinson, Chief Examiner Claude Beals, Rating Clerk R. A. Toomey, William A. Doody and Assistant Attorney-General C. S. Younger, who is special counsel in charge of insurance. Kentucky registered Commissioner S. M. Sausley, Deputy R. G. Dixon, Actuary W. P. Pape, Mrs. M. W. Roper, field deputy, and Mrs. Virginia Tuck, secretary. New York always has a big battery of people present. This year there were present Superintendent J. A. Beha, Assistant Superintendent H. D. Appleton, Third Deputy C. F. Cunneen, F. P. Ward of the liquidation bureau, N. B. Hadley, examiner of life companies, and Deputy Attorney-General Flynn. Indiana recorded Commissioner C. C. Wysong, Deputy Zell C. Swain, Actuary H. G. Walton, Rate Supervisor C. C. Woerner, Securities Clerk Genevieve Brown and Chief Examiner M. K. Alexander.

Indiana has had three insurance commissioners since the department became independent of other bureaus. All were present at Cincinnati. They are Miles Schaeffer, who is now connected with the United Benefit Life of Omaha, T. S. McMurray, who has an independent insurance service at Indianapolis, and C. C. Wysong, the present commissioner.

On Wednesday afternoon the entire convention was taken on a boat ride up the Ohio river as far as New Richmond, O. Everybody was provided with a wide brimmed straw hat and red bandana handkerchief. The visitors were particularly impressed with the spaciousness of the "Island Queen," which carries large numbers during the summer season up to Coney Island from Cincinnati. Supper was served on board and the guests took advantage of the huge dancing floor, dancing during the entire afternoon.

Claris Adams, secretary of the Ameri-

can Life Convention, represented that body, while Charles G. Taylor, assistant manager of the Life Presidents' Association, represented his organization.

Some of the Illinois life companies were represented. J. F. Williams, vice-president of the Illinois Life, who was formerly actuary of the Illinois department and prior to that of the Tennessee department; President F. R. Brown of the Rockford Life, President W. H. Hinebaugh of the Central Life of Chicago and Manton Maverick, vice-president of the Continental Assurance of Chicago, were on hand. Mr. Maverick, who is also vice-president of the Continental Casualty, is one of the regular convention participants.

General Manager W. E. Mallalieu, Actuary Harold M. Hess and General Counsel J. H. Doyle represented the National Board of Fire Underwriters. Wilfred Kurth, vice-president of the Home of New York and former president of the National Board, was present. The fire insurance men do not attend the commissioners' meetings in very large numbers. George H. Bell, western manager of the National Fire of Hartford, LeMar Hill, general counsel of the America Fore companies, Langdon Quinn and W. J. Beggs, vice-president of the Western Fire of Fort Scott, Kan., were present. Mr. Beggs was on the hobnob with his old Ohio friends.

Ohio had four ex-superintendents present, they being Arthur I. Vorys, W. H. Tomlinson, B. W. Gearheart and Judge H. L. Conn.

The Ohio Association of Insurance Agents was represented by President E. J. Bundenthal of Dayton and Secretary W. H. Tomlinson. Charles D. Kidd, one of the Dayton local agents, was present the first day. Several Cincinnati agents were on hand, including John F. Ankenbauer, A. W. Shell and W. A. Earls.

The Cincinnati local arrangements committee did a splendid piece of work in planning and executing the entertainment features of the week. There was not a hitch in the entire performance. The men who were on hand on every occasion and particularly contributed to the occasion were Vice-President C. F. Williams, Western & Southern Life; John L. Shuff, home office agent, Union Central Life; President J. W. Scherr, Inter-Ocean Casualty; President John D. Sage, Union Central Life; Vice-President B. Gates Dawes, Eureka-Security Fire; President Frank M. Peters, Federal Union Life; Judge William Lueders, Western

& Southern Life; W. A. Earls, Cincinnati local agent; Eugene R. Buss, Cincinnati manager Travelers, and E. J. Wohlgenuth, president The National Underwriter.

The New York ex-superintendents seldom show up at the convention. This year, however, F. R. Stoddard, now an attorney in New York City, was present.

General regret was expressed at the retirement of Frank N. Julian of Alabama, one of the wheel horses of the convention and chairman of its executive committee. Mr. Julian is one of the famous story tellers of the south whose brogue and dialect are enviable. He was accompanied by his successor, George H. Thigpen.

Frank H. Hardison of Boston, consulting actuary of the Liberty Mutual, now 70 years of age, was present. He was forced to retire from state office by the age limit as he was 70 years of age. Colonel Button of Virginia, in referring to Mr. Hardison, said that he is now drawing a larger salary than he was as Massachusetts commissioner. Mr. Hardison spoke briefly at the Wednesday morning session. He served as president of the Insurance Commissioners' Convention in his day.

John A. Hartigan of St. Paul, inspector of agencies of the Equitable Life of New York, who never fails to attend a commissioners' meeting, was the first real secretary of the convention, he being elected in 1908. Prior to that time the secretarial work was done by one of the state departments. Mr. Hartigan served as president of the convention in 1903.

The ladies were conducted to the Rookwood pottery Wednesday morning and each received a souvenir in the way of Rookwood production.

W. H. Bennett, secretary of the National Association of Insurance Agents, represented that body, as did Col. Walker Taylor of Wilmington, N. C., who is chairman of the national legislative committee.

A new comer at the convention was President Ray Duboc of the Western Automobile, Western Fire and Western Casualty of Fort Scott, Kan.

At the dinner Tuesday night a black-face comedian had been furnished with a number of happy hits on several prominent conventioners. His stuff took well and every thrust was keen. The handwork of J. V. Barry, of the Metropolitan Life, was plainly seen in the material that the comedian used.

Nicholas Longworth, speaker of the House of Representatives, who made the address at the banquet Tuesday night, strongly advocated party fealty and responsibility. Mr. Longworth's address was well put and well delivered. He was flanked at the table by A. S. Caldwell of Tennessee, president of the convention, and Superintendent W. C. Safford of Ohio who introduced him. During the evening, the notables of the convention were presented to Mr. Longworth. He purposely evaded talking politics or speculating on presidential possibilities. The black faced comedian who held forth during the meeting plainly hinted that "Nick" might be in the running himself next year.

Langdon C. Quin of Hurt & Quin, well known fire general agents at Atlanta, was present. He is a son-in-law of Commissioner Caldwell of Tennessee.

An invitation to hold the next annual meeting in Canada and especially in Quebec came from the Canadian delegation present. It was formally presented by O. E. Sharpe, superintendent of Quebec and president of the Canadian Association of Insurance Superintendents. The invitation was seconded by T. G. McConkey of the Canada Life, who is president of the Canadian Life Officers Association. Mr. Sharpe said that there are many joint problems that could well be considered by the two associations.

Commissioner M. A. Freedy of Wisconsin attended his first meeting. He was formerly Wisconsin special agent of the Phoenix Fire of Hartford. At Cincinnati he met for the first time another fire insurance field man who was appointed commissioner about the same time that Mr. Freedy received his appointment, he being C. D. Livingston of

(CONTINUED ON PAGE 39)

CONDENSED NEWS OF THE WEEK

Heavy insurance loss sustained in tornado that swept St. Louis last week. **Page 3**

President H. A. Clark of the Western Insurance Bureau reviews general conditions in Briarcliff address. **Page 3**

A. S. Caldwell of Tennessee was elected president of the National Convention of Insurance Commissioners and Jesse G. Read of Oklahoma, chairman of the executive committee. **Page 7**

Superintendent Beha of New York draws fire of commissioners of other states in holding that the New York investment laws must be applied to companies of other states. **Page 5**

Insurance Commissioners' Convention refers to the fire insurance committee a motion asking that special investigation be made of the situation in "expected cities" as to commissions. **Page 5**

Insurance commissioners at their meeting discussed agency license and qualification laws. **Page 7**

Program for Chicago meeting of Insurance Advertising Conference is announced. **Page 7**

No action taken at meeting of Eastern Underwriters Association on the question of non-policy writing agents. **Page 14**

New Jersey agents adopt strenuous resolution condemning non-policy writing agents. **Page 14**

Commissioner Luning of Florida paid a remarkable tribute to companies in connection with payment of tornado claims. **Page 3**

Missouri Association of Insurance Agents holds annual session at Excelsior Springs. **Page 7**

Licensing of bankers as agents came up before the insurance commissioners' meeting. **Page 5**

Marquette National Fire of Chicago sank a fortune in its foreign venture. **Page 16**

Casualty companies and general agents are holding their annual convention at White Sulphur Springs, W. Va. **Page 41**

Commissioner Monk of Massachusetts in championing the compulsory automobile insurance law of that state will have great effect in popularizing the measure. **Page 43**

General review of casualty and surety conditions given in speech of E. A. St. John before joint casualty convention. **Page 43**

C. W. Hobbs comments on stock companies proposal for changes in rating workmen's compensation risks. **Page 46**

Inroads of taxing bodies cited by F. Robertson Jones in report. **Page 41**

Surety problems discussed by President Miller of the Fidelity & Deposit. **Page 53**

MISSOURI AGENTS IN ANNUAL CONVENTION

Two-Day Session Held This Week
at Excelsior Springs Well
Attended

DISCUSS MANY PROBLEMS

Consider Vital Issues of the Day—Subjects Presented by Strong Speakers

NEW OFFICERS ELECTED

President, B. J. Fradenburg, Kansas City.

Vice-Presidents, W. H. Shelton, Unionville; L. E. Bright, St. Louis; B. V. Sparlin, Springfield.

Secretary, Wilbur F. Maring, Jr., Kansas City.

Treasurer, James B. Wallace, Kansas City.

Chairman Legislative Committee, R. L. Stewart, Kansas City.

Advisory Committee, Frank Ferguson and R. L. Stewart, Kansas City.

EXCELSIOR SPRINGS, MO., Oct. 5.—The annual meeting of the Missouri Insurance Agents Association was called to order in this city on Monday, with B. J. Fradenburg of Kansas City in the chair. Presenting his annual address, Mr. Fradenburg opened the first day's session. A representative group of agents was in attendance as well as a number of men representing other branches of the insurance business. The subject of automobile insurance and mutual and reciprocal competition through automobile clubs was an outstanding topic of consideration. Other topics occupying the attention of the convention were the brokerage problem and the spread of the branch office system in its relation to the American agency system.

President Fradenburg's Address

President Fradenburg in his annual address made several suggestions to the association as to changes in the executive board. He advised the election of an advisory committee of three members from the city of the president-elect, suggesting this change because of the difficulty of getting the executive committee together. He also suggested the appointment of six regional vice-presidents to act as a membership committee. In the matter of legislation, Mr. Fradenburg urged the insurance agents of the state to work for the repeal of the valued policy law and use their influence to secure a fire marshal law and an agents' qualification law. The legislative committee report was given by Wilbur F. Maring, secretary of the association, in the absence of R. L. Stewart, chairman of the committee. He said that little legislation affecting insurance had been passed during the last year, and urged that the best way to protect the insurance interests was for insurance men themselves to get interested and get into the race for legislature.

Discuss Automobile Business

Showing that automobiles are being insured about one-sixth as fast as they are produced, Leo E. Thieman pointed out that the stock companies are not going after the business as thoroughly as the reciprocals, and that, as long as this is true, mutual and reciprocal competition will increase. Mr. Thieman explained the plan of the April automobile insurance drive and received an immediate response from the Missouri agents, who expressed their interest in a way to increase this line of business in their offices. The subject was of

(CONTINUED ON NEXT PAGE)

ANNOUNCE PROGRAM FOR ADVERTISING CONFERENCE

TO DISCUSS MANY SUBJECTS

Group Sessions Will Be Feature—
Convention to Be in Chicago,
Oct. 17-18

The program material for the Chicago meeting of the Insurance Advertising Conference, to be held Oct. 17-18, promises a wide variety of interest. The general theme of the meeting will be "The Mind of the Buyer" and will be developed in the general sessions by advertising men of wide repute in their particular lines.

The general session on Monday will be called to order by President Clifford Elvins, advertising manager of the Imperial Life of Toronto. Program Chairman John Hall Woods of the Great Northern Life will outline plans for the meeting. The rest of the first morning session will be taken up with addresses on "The Psychology of Insurance Advertising," "Color Combinations," and "Paper Stock in Printed Advertising," and "Conserving and Increasing the Business of Old Policyholders;" this address to be given by John L. Davies, director of publicity, Northwestern Mutual Life.

Lyle Stephenson, whose reputation as an advertising insurance man around Kansas City has spread to all parts of the country, will give a general agent's ideas on advertising. Joseph P. Licklider, director of advertising and sales research, Missouri State Life, will make an address on "Copy." This will be given at the Monday noon luncheon at which John W. Longnecker, vice-president of the conference, will preside.

Feature Group Sessions

The group sessions will be given a very prominent part in the Chicago meeting and will occupy Monday afternoon and Tuesday morning. Group Chairmen Bert Mills, life, Horace V. Chapman, fire, and C. E. "Tex" Rickerd, casualty, are working up programs. Other high spots of the meeting will be a report on the progress of co-operative advertising which involves the work of the public relations committee, which has been actively engaged during the past year in the development of public relations plans for the National Board and the casualty and surety underwriters. At this time it is expected a request from the Health & Accident Underwriters Conference for a similar plan will be submitted to the conference.

A resume will be made of the "Insure in April" campaign, which will be conducted by the Casualty Information Clearing House and also of the Louisville co-operative campaign and the Indianapolis 36-ad campaign.

The awards of the Holcombe Trophy and the "Weekly Underwriter" prizes will be special features of the Chicago meeting. Other addresses of interest appearing in the general sessions will be on selling insurance direct by newspaper advertising; helping local agents with local newspaper advertising; the economics or value of insurance advertising; these addresses to be given by Allen D. Albert, editor of the Evanston "News-Index" and past president of the Rotary International.

Charles R. Wiers of the Spirella Company, president of the Direct Mail Advertising Association, will discuss sales letters and correspondence under the heading "Some Letters I Have Met."

J. L. Frazier of the Seng Company and a member of the staff of the "Inland Printer," will give an illustrated talk on "Type and Layout in Advertising."

On Sunday evening preceding the convention there will be a get-together dinner for members and guests at which C. E. Rickerd, commissioner, will preside.

QUALIFICATION LAWS FOR INSURANCE AGENTS

SOME OFFICIALS ARE ACTIVE

State Insurance Commissioners Discuss
Establishment of Standards for
Licensing of Applicants

The question of agency qualification laws and uniform license laws came before the Insurance Commissioners' Convention in Cincinnati last week. Commissioner Wade of North Carolina claimed that the companies themselves should train their agents and see to it that they are qualified and not leave the responsibility with the state. He said that the life companies as a rule do train their agents but the fire and casualty companies do not. He claimed that the committee appointed by the American Bar Association to bring in a model insurance code did not include in that draft an agent qualification law. This, he thinks, was significant, as evidently this distinguished committee saw no need for such a law.

Col. Taggart's Views

Col. M. H. Taggart of Pennsylvania said that in his state the commissioner must be satisfied as to the worthiness of an applicant. The agent is the representative of his company. He does not feel that the companies at all times appoint trustworthy agents. He said that there are 160,000 licenses granted in Pennsylvania every year. Col. Taggart said that he wanted recommendations and endorsement from the locality in which an applicant lives as to his character, general reputation and fitness. As to his knowledge of insurance, Col. Taggart said this should be ascertained by an examination.

He said that he had often found agents applying for licenses who were ignorant and inefficient and sometimes they were dishonest, yet companies were willing to appoint them. He favors the standardization of practice in licensing agents and also the establishment of qualification standards. Col. Taggart contended that the public has the right to know that a license given by the state means that it is doing its best to protect the premium payers. He said that often agents are driven to desperation and will resort to all sorts of practices to secure an order for insurance.

Should Use the Whip

Commissioner Monk of Massachusetts said the commissioners must take the whip hand and use it. They should demand written examinations. He declared that if a commissioner prepares a written examination that is sufficiently comprehensive, automobile salesmen, garage people, bank cashiers, barbers, and many others will not appear because they know they cannot pass. He said commissioners need "guts" in passing on agency applications.

Capt. White of West Virginia said that in the smaller and less populated states, the insurance departments have not the appropriation or clerical help to make investigations that the more powerful states have. Some states, he said, certainly had not the authority to demand a written examination. In his state, he instanced a case where he refused a license to a garage man but the attorney general upheld the applicant.

Commissioner Luning of Florida believes that a committee from the Insurance Commissioners' Convention should call in conference representatives of the fire, life, casualty and surety organizations and see if it is not possible to agree on a qualification standard so that the states can get rid of unqualified agents. In his state, he said, the Association of Life Insurance Presidents fought the qualifications bill before the legislature which required the applicant to have sufficient knowledge of the business to enable him to write insurance intelligently.

CALDWELL AGAIN WILL BE THE PRESIDENT

Tennessee Official Elected Head of
National Convention of Insurance Commissioners

TWO BIG QUESTIONS UP

Jesse G. Read of Oklahoma Was Chosen
As the Chairman of the Executive Committee

OFFICERS ELECTED

President—A. S. Caldwell, Tennessee. First Vice-President—C. R. Detrick, California.

Second Vice-President—James A. Beha, New York.

Secretary—Joseph Button, Virginia. Chairman Executive Committee—Jesse G. Read, Oklahoma.

Members Executive Committee—Ray A. Yenter, Iowa; Ben C. Hyde, Missouri; H. P. Dunham, Connecticut; S. A. Olesness, North Dakota; J. E. Sullivan, New Hampshire; C. C. Wysong, Indiana.

The National Convention of Insurance Commissioners at its annual meet-



JESSE G. READ, Oklahoma
New Chairman Executive Committee

ing in Cincinnati last week reelected A. S. Caldwell, Tennessee, as president, he having served the remainder of the term of Judge H. L. Conn of Ohio, who resigned from office.

Frank N. Julian of Alabama, who is retiring as insurance commissioner of that state, was given a notable tribute at the closing session, the convention going on record in expressing its gratitude for his very efficient and faithful service to the organization. The motion was made by Commissioner J. S. Maloney of Arkansas and seconded by Commissioner Olesness of North Dakota. Mr. Julian served as chairman of the executive committee last year.

Two Big Questions Up

There were two big questions before the convention. The first came up in the paper of Commissioner Safford of Ohio, in which he condemned the practices of a few mutual companies that paid exorbitant salaries to favored officers and who also profited by the operation of the companies in other ways. These salaries and additional compensation were held to be an injustice to the premium payers.

The second vital subject came up in the paper of Superintendent Beha of New York, who had superimposed his



The First Policy

THE first policy written by the ÆTNA INSURANCE COMPANY was issued in 1819 to Joseph Morgan, a Director, and the first of four generations of Morgans to serve on the ÆTNA directorate. The policy was for \$6,000, and it covered Morgan's Coffee House, the ÆTNA'S own birthplace.

In those days the directors met and passed on all proposed risks. Soon, however, they appointed agents and vested them with real powers. Today, across the continent from the Home Office, ÆTNA Agents can individually, with a word, bind their Company for all classes of risks . . . a power which would have amazed those directors in 1819. The ÆTNA did much to foster the American Agency System, which stands as a practical justification of the policy of vesting responsible local agents with broad powers of decision and action.

The Insurance Agent of today demonstrates hourly that real progress in our business depends on far-flung representation, with discretionary power vested in agents. Upon such convictions the ÆTNA maintains its relations with more than 12,000 agents who exemplify ÆTNA principles in their communities.

Ralph B. Ina
President



ÆTNA INSURANCE
[FIRE]
COMPANY

ruling as to investments of companies chartered in New York on non-New York companies.

New York Investment Law

The insurance law of New York does not allow a fire or casualty company to use more than 50 percent of its surplus in investments of stocks of other insurance companies. Furthermore, the investment of insurance stocks cannot be camouflaged through a holding company. Mr. Beha has ruled that this law must apply not only to New York companies but to others licensed in the state. Serious objection has been taken to this by other states, their commissioners claiming that New York in assuming this extra-territorial attitude is violating the fundamental principle of comity among states.

Both subjects were referred to a special committee consisting of Commissioners Safford of Ohio, Beha of New York, Wells of Minnesota, Yenter of Iowa, Gough of New Jersey, Wade of North Carolina and Luning of Florida.

A motion prevailed that the officers and chairman of executive committee be empowered to revise the list of standing committees of the organization.

Some Humor Came to Surface

Some humor was injected into the nomination of some of the officers. Secretary Button in casting the ballot for Mr. Beha stated that it gave him "peculiar pleasure" to do so. Mr. Beha stated that he would not inject states' rights into his new office but would extend the beneficent influence of the Empire State both east and west, to Connecticut and New Jersey, thus acknowledging the opposition of Mr. Dunham of Connecticut and Mr. Gough of New Jersey to his investment program.

Mr. Julian as his last act as a member of the organization put Colonel Button in nomination for secretary, stating that the Virginia commissioner first learned his lessons of efficiency and economy on the banks of the Tennessee in Alabama. President Caldwell in casting the ballot for Colonel Button referred to him as one of the distinguished bare back horse riders of the country, thus alluding to Colonel Button's accident when he tried his skill as an equestrian at Colonel Cody's farm in Kentucky when the executive committee met there last summer.

Praise for Entertainment

The committee on resolutions consisting of Commissioners Dumont of Nebraska, Livingston of Michigan and Sullivan of New Hampshire expressed the gratitude of the members of the convention and visitors of the many evidences of hospitality shown by the Cincinnati companies and the local arrangements' committee. The entertainment program was extensive and satisfying. Charles F. Williams, vice-president of the Western & Southern Life, was the local head, while Commissioner Safford of Ohio acted as general chairman. The afternoon of Thursday was spent at Colonel Cody's farm resort about eight miles across the river in Kentucky, where there were a number of attractive features presented.

Western Men in Control

The complexion of the executive committee indicates that the so called western element which made itself manifest at the San Antonio convention still has the grip on the organization. Frank N. Julian of Alabama, who was regarded as a conciliatory member of the committee and who was chairman, was replaced by Mr. Read of Oklahoma. The two new members of the committee are Commissioners Yenter of Iowa and Wyson of Indiana. Most of the radicals in the convention have been silenced but the men who are progressive and believe in not allowing the east to get too strong a hand are in the saddle.

The commissioners decided to return to their old custom of meeting in New York at the time the Life Presidents Association assembles. The commissioners will meet at the Hotel Astor in New York Dec. 6.

MISSOURI AGENTS IN ANNUAL CONVENTION

(CONTD FROM PRECEDING PAGE)

special interest at this time in view of the recent move of the Automobile Club of Kansas City in offering low rate mutual insurance to their members.

Tells of Department Work

H. B. Allen, chief rater, represented the Missouri insurance department. Mr. Allen said that all lines of insurance had shown a healthy growth during the year. He pointed out that through the work of Commissioner Ben C. Hyde the curbstone brokers had been put out of business, leaving the field to the legitimate agent. It is now necessary for the applicant to show that he is actually engaged in the business and that he is conducting his business along the lines of good business practice. Mr. Allen said that the wonderful cooperation received by the department from the local boards in St. Louis, Kansas City and Springfield had been a great help. The workmen's compensation law was referred to and Mr. Hyde's part in getting satisfactory rates. At this point the association took occasion to send greetings to Commissioner Hyde, who for several months has been very ill in Kansas City.

Presents Association Appeal

Lurton H. Stubbs, representing the National Association of Insurance Agents, urged the cooperation of the agents. He said that there was no association doing a greater work, yet there is a wholly inadequate number of agents behind the work. "There is no doubt that the American agency system is being threatened from several directions," said Mr. Stubbs. "Casualty branch offices are increasing all the time and the problem is getting serious. If branch offices take hold of the fire lines as they have the casualty lines then God pity the local agents." Mr. Stubbs expressed himself as delighted to know that the broker problem had been taken up in Missouri. He pointed out that the fire insurance business was a very legitimate business. The fire insurance agent sells to every class of business people in the world and the conduct of that business depends on the conduct and efficiency of the local agents. It is up to them to represent the companies efficiently. Speaking of automobile insurance, Mr. Stubbs said that with the improvement of roads automobile clubs will probably dwindle in importance and that all that will make them live will be the insurance feature. If the agent wants more automobile insurance, he must back up the National association. This, in Mr. Stubbs' opinion, is the only way that the agent is going to keep the American agency system alive.

Fire Prevention Reviewed

J. Burr Taylor, secretary of the Missouri Fire Prevention Association, outlined the activities of that association. He said that it was the idea of service to the public which is behind fire prevention activities. People should be educated on the dangers of fire to life and property, and it is only recently that big business has begun to realize the importance of this fact. Although the problem of fire waste is national in scope it must be handled locally, Mr. Taylor pointed out. He said that it was the experience of the association that when they went into a town they received a cold response from the business interests and he urged that it was in this respect that the Missouri Fire Prevention Association needs the cooperation of the local agent. The local agent is the only means of contact and entree. Mr. Taylor asked the cooperation of the agents in fire prevention week. The local agent has a responsibility to the community and to his company, and it is he who has the opportunity to educate his assureds, an opportunity which the company does not have. Problems of the local boards was the subject of a round the table discussion, the agents

5-MINUTE TORNADO KILLS 69 IN ST. LOUIS; 600 ARE INJURED, DAMAGE IS \$75,000,000; WEALTHY WEST SIDE SUFFERS HEAVILY



© H. L. Boston

5,000 HOUSES DESTROYED

**Falling Walls Trap Many
and Fires Start in
the Ruins.**

SIX SQUARE MILES SWEEPED

**Troops Mobilized and Police Are
Told to Shoot Looters
on Sight.**

SCHOOL CHILDREN ESCAPE

**March Out When Part of Build-
ing Collapses—Rain Adds to
Terror and Confusion.**

Special to The New York Times.

ST. LOUIS, Mo., Sept. 29.—A tornado and rainstorm, sweeping over St. Louis and vicinity this afternoon with unprecedented fury, blasted an area of six square miles through the residential and outlying business sections of the city and took a toll of sixty-nine lives and did property damage that may exceed \$75,000,000.

With rescuers working through the night it is probable that the death list may reach 100 and that the list of injured, which now stands at 600, may reach 1,000 to 1,500. More than 5,000 houses were destroyed.

The storm struck with sudden fury at 1 o'clock this afternoon, lasting in its full force only five minutes. Its first intensity was noticed at Manchester and Taylor Avenues. Then with ever-increasing intensity it swept north in a widened area to the avenue, west to Kings High-

ST. LOUIS today; tomorrow where? Before the storm some people no doubt scoffed at the idea of windstorm insurance.

There are people in your community who cannot be convinced of the need of windstorm insurance; there are many who will not hesitate to get this protection if it is called to their attention.

Insurance has come to the rescue of those in St. Louis fortunate enough

to have had an agent who sold them complete protection. Will your clients be among the fortunate ones if a destructive windstorm visits your territory?

When you sell windstorm insurance remember that usually because of the extent of windstorm damage, reconstruction is slower. Tornado, Rent and U. & O. insurance are needed.

So make the windstorm insurance

you write complete with the necessary Tornado, Rent or U. & O. policy—and of course in the American Eagle.



**AMERICAN EAGLE
FIRE INSURANCE COMPANY**
EIGHTY MAIDEN LANE, NEW YORK, N.Y.

ERNEST STURM, Chairman of the Board.
PAUL L. HAID, President.

CASH CAPITAL—ONE MILLION DOLLARS
New York • Chicago • San Francisco

from a number of cities presenting local problems.

Compensation Head Speaks

Alroy S. Phillips, chairman of the Workmen's Compensation Commission of Missouri, speaking at the second morning session, introduced the subject of state insurance and said there is no reason for the state to go into the insurance business unless the insurance business falls down on the job. Speaking of the tendency of the companies to put into force the principal of selected risks he referred to the coal mines in Missouri and the fact that no group is now carrying the coal mines in this state. Mr. Phillips said he believed it was a disgrace to the companies that there should be a class of risks that can get no insurance and said that the companies should see that that service was in some way furnished to the people of the state. If they do not it will sooner or later result in state insurance and that will be the opening wedge. Mr. Phillips said that every class in the state was satisfied with the operation of the Missouri compensation law.

Want National Association to Act

The convention went on record with a resolution proposed by Cliff C. Jones, past president of the National associa-

tion, that the National association be asked to cooperate with the commission in showing the companies the best way to write hazardous risks. It was urged that it is up to the state associations and to the national to see that the companies write this business.

Walter G. Chestnut, manager of the Western Adjustment Company, spoke to the agents on their part in the adjustment of losses. Speaking of the public adjuster he said that the real harm was that the public adjuster put into the mind of the assured the idea that he was not going to get what was coming to him. It is here that the agent has his part. It is his business to show the assured that he is going to be treated fairly. Mr. Chestnut showed the causes of delay which are often due to small errors on the part of the agent.

Blakely on Local Boards

Speaking on the benefit of local boards to agents, C. G. Blakely, president of the Kansas association, said that the way to put backbone into local boards was for the members to put time, effort and real money into it. If a man can not afford to invest \$100 in his chosen business he ought to be working for someone else, in Mr. Blakely's opinion. Mr. Blakely explained the organization

of the Kansas local boards and their method of handling school board insurance through the board, which pro rates it to the members.

The resolutions committee in its report, presented by Harry Neidorf of St. Joseph, stated that the association was in full accord with the National association work. It recommended that Missouri be included in the coming automobile insurance campaign.

Millers Mutual Jubilee

The Millers Mutual Fire of Alton, Ill., rounded out 50 years of successful operation Sept. 20. The officers are arranging for an anniversary banquet at Alton, Oct. 18. A program of interest is being arranged.

Reciprocal in New Hands

The management of the National Lumber Manufacturers Inter-Insurance Exchange of Chicago has been taken over by a new attorney-in-fact, the Lynn-Payne Underwriting Company. Mr. Payne and Mr. Lynn are both prominent reciprocal underwriters of Kansas City. Mr. Payne is president of the attorney-in-fact for the Manufacturing Lumbermen's Underwriters of Kansas City and Mr. Lynn is president of the U. S. Epperson Underwriting Company, attorney-in-fact for the Lumbermen's Underwriting Alliance, also of Kansas City. The

National Lumber Manufacturers Inter-Insurance Exchange was formerly under the management of Harry B. Clark, who has retired as attorney-in-fact. The National Lumber Manufacturers Inter-Insurance Exchange will be continued under the same name with the same executive committee and advisory board, but it will be operated under a new power of attorney and on a 20 percent commission basis, which is a considerable reduction under the old basis. The office of the exchange will be moved to Kansas City in order to have the personal supervision of the new attorney-in-fact.

Get Oklahoma Arson Confessions

OKLAHOMA CITY, Oct. 5.—The fire marshal's office is in the midst of an active campaign against arson in Oklahoma. The past week three arrests were made, two of which resulted in confessions. A general merchandise store building at Red Rock, which was involved in one of the confessions, was insured for \$1,500. The other involved the burning of a garage at Yale which was insured for \$600. In both cases the culprits were bound over.

An unusual case arose at Kingfisher in the form of the burning of a house and household goods, said to have been ignited by the owner. No insurance was carried and the cause of the incendiarism was attributed by the fire marshal to the fact that in a divorce suit the property was given to the wife. The husband is believed to have destroyed the property rather than to let her acquire it, the fire marshal said.

INSURANCE STOCK QUOTATIONS

H. W. Cornelius of Charles Sincere & Co., Chicago investment house, gives the following current insurance stock quotations, as reported on Oct. 4:

Stock	Par	Bid	Asked	Div.
Aetna Cas.	100	1100	...	12
Aetna Fire	100	840	850	24
Aetna Life	100	808	815	12
Agricultural	25	110	125	22%
Amer. Alliance ..	100	420	440	16
Amer. Automobile	10	50	...	20%
American, N. J. ..	5	30	31	1
American Surety.	50	290	...	12
Automobile, Ct. ..	100	335	350	1
Bankers & Ship. ..	100	350	...	10
Carolina	5	24	27	20%
City of N. Y.	100	420	440	12
Columbian Nat. ..	100	250	...	7%
Commonwealth ..	100	600	...	20
Continental	25	210	215	6
Conn. Gen. Life ..	100	1725	1775	12
Fidelity & Cas. ..	25	185	190	5
Fidelity & Dep. ..	50	250	260	10%
Fidelity-Phenix ..	25	145	148	4
Firemen's, N. J. ..	10	50	53	22
Franklin	25	280	300	32
Glens Falls	10	52	54	1.60
Globe & Rutgers.	100	1750	1800	36
Great American ..	100	405	411	16
Hanover	50	245	255	5
Harmonia	10	57	62	1.60
Hartford	100	675	680	20
Hartford St. B. ..	100	800	900	14
Home	100	520	528	20
Homestead	10	68	73	40c
Importers & Exp. ..	25	96	101	14%
Ins. Co. of N. Am.	10	76	78	2
Lincoln Fire	20	70	75	4.50
Maryland Cas. ..	25	165	160	18
Merchants, Com. ..	25	200	225	8
Merchants, Fld. ..	100	125	...	7
Metropol. Cas. ..	100	850	860	20
National, Ct.	50	1000	1100	10
National Liberty ..	100	285	300	12
National Union ..	100	254	256	9
National Surety ..	100	71	72	24%
N. Amsterdam Cs.	10	335	345	10
Northern	100	300	...	10
North River	25	205	225	4
New York Cas. ...	25	125	135	4
Pacific Fire	25	120	130	3.50
Pacific Mut. Life.	100	800	825	20
Phoenix	100	725	750	20
Preferred Accl. ..	100	450	500	23
Provident-Wash. ..	100	490	520	14
Rossia	25	130	132	24
Springfld. F. & M.	100	780	820	16
Stuvsant	100	235	245	6
Travelers	100	1465	1475	16&EX
United States	20	260	270	5.60
U. S. F. & G.	50	350	360	18%
U. S. Merch. & Sh.	100	300	...	8
Vulcan	100	100	...	6%
Westchester	10	73	76	2.50

Not Awarded by Conference

In referring to the "Rough Notes" trophy award recently made to the William H. Pool Company, it was stated that the Insurance Advertising Conference had made the award. This was incorrect, as the award is made by a committee of three who are not members of the Insurance Advertising Conference.

W. Mason Galt Weds

W. Mason Galt, special agent of the National Fire in Michigan, was married Oct. 4 to Miss Loraine O'Connell. Mr. Galt was formerly with the New York Underwriters in South Dakota.



BRANCH OFFICE OF THE AMERICAN
AT SHANGHAI, CHINA

At Home and Abroad with The American of Newark



F. E. VINCENT
Manager

THE American has been operating in China for the past eight years, issuing policies through the branch office pictured above, as well as local agencies situated at Shanghai, Hankow, Canton, Hongkong, Tien Tsin and Peking.

As in the case of all other foreign concerns operating in China, our business is secured through the good offices of Compradors—the native "negotiators of purchases"—who not only introduce the native buyers to the foreign concerns, but who buy and sell and act as their credit managers.

Branch Offices

ROCKFORD, ILL.
BOSTON
MEMPHIS
SAN FRANCISCO
BELGIUM
BRAZIL
CHINA
EGYPT
ENGLAND
HOLLAND
INDIA
TURKEY
BR. E. AFRICA
DUTCH E. INDIES
AND STRAITS
SETTLEMENTS



THE AMERICAN INSURANCE COMPANY
NEWARK NEW JERSEY

Capital \$4,000,000

Incorporated 1846

FINANCED AUTOMOBILE BUSINESS DISCUSSED

Commissioner Clarence C. Wysong
Covers Problem of Importance
to Business

SOME CARRIERS SCORED

Indiana Department Chief Tells How
Baneful Practices of Finance Com-
panies Result

Commissioner Clarence C. Wysong of Indiana read before Insurance Commissioners Convention at Cincinnati a paper entitled "Abuses of Insurance on Automobiles Purchased on the Deferred Payment Plan," which was in part as follows:

"Along with the increase in volume of manufacture and sale of the automo-



CLARENCE C. WYSONG
Indiana Commissioner

bile, various plans have arisen whereby the purchaser of an automobile can procure delivery without paying the full purchase price at the time of delivery. It is computed that nearly 90 percent of all automobiles are purchased on the deferred payment plan.

New Problems Arise

"Out of the various plans which first originated and were tried out on deferred payment on automobiles purchased a new problem has come, that of automobile finance. At present the system of financing has in most instances become standard.

"Under the present general plan the automobile finance company becomes the banker for the purchaser of the automobile, thus becoming the buyer of the paper of the person who has purchased an automobile on deferred payments. As its security the automobile finance company holds title to the automobile until a certain amount is paid in over a stipulated period of time.

Two Interests Involved

"Under this arrangement it is obvious that the purchaser and the finance company have an interest in the property involved, and if desiring to be protected, must either agree that insurance shall be taken on the property, or the finance company before assisting the purchaser compels certain insurance to be taken out. On account of the volume of business which comes through the channels of the finance company, the amount of premiums and result of protection to

interested parties and the public, the question of coverage, the kind and amount thereof, is of vital importance. "There being two parties interested, it becomes the paramount duty of supervising officials to make it their business to see that the insurance is so issued and placed and the policy contract so drawn that the interests of all concerned are protected.

Three Classes Listed

"Finance companies may be divided into three classes—those whose business extends throughout the country covering a certain make or class of automobile; those doing business in a limited territory and confining themselves to certain makes or classes of automobiles; those doing purely a local business and financing any business that may be presented.

"Of the first class, their business is stabilized and their methods standard. I may say that this class of companies has always, so far as my information extends, shown a willingness to comply with all the insurance laws and departmental rulings of the various states.

"Of the second class it may also be said that in this regard they may be classed with the first, excluding a small percentage.

"Of the third class not so much can be said.

Methods Differ

"The classes of finance companies named above have all operated in Indiana, and no doubt are still operating. All of them were placing insurance on automobiles purchased on deferred payment. The companies of the first class were covering the financed automobiles with fire and theft insurance, delivering to the purchaser a standard policy contract with a mortgage interest or loss-payable clause, and delivering the policy to the purchaser. In this class of business, complaints rarely came to the department.

"At the beginning of the financed automobile business, and until now, it was and is the practice of some companies to insure only the interests of the finance company and charge the same to the purchaser as an item of insurance—giving the purchaser no idea of the real character of the coverage. Later, by most companies, both the purchaser and the finance company were covered against fire and theft, while the purchaser paid for collision protection only as to the interest of the finance company.

Complaints Numerous

"Over a period of six months the Indiana department listened to the complaints of disappointed and disgusted purchasers of automobiles acquired on the deferred payment plan, and who either knew nothing of the character of the insurance coverage issued or were mistaken as to the character or the amount.

"The most prevalent complaint was where the finance company had charged the purchaser some amount for an item of insurance, where in fact only the interest of the finance company had been insured. The average person, knowing that he had paid some amount for some kind of insurance, went along blissfully until a loss occurred and then discovered he had no protection and his loss was total.

Purchaser Deceived

"In other cases a purchaser was led to believe he had full coverage, fire, theft and collision, and was charged for this. Then when a loss occurred, liability was denied on the ground that no insurance covered that particular class of loss.

"Again, financing charges and premium charges were combined so that the purchaser could have no knowledge of the amount he paid for insurance.

Only One Interest Protected

"A general tendency all the way is to protect only the finance company's interests, leaving the purchaser to save himself from loss the best way he can.

"No doubt the question to be asked at this time is, 'What were the causes

of these abuses and how could they be perpetrated. From my observation I believe that it can be safely said that almost all of these conditions arose from the fact that the purchaser, as is the average complainant, was ignorant of insurance matters, and that this ignorance was continued, and caused to exist further, when no policy contract was delivered to him so that he might be able to ascertain the insurance coverage he had. These conditions existed almost solely from non-delivery of a policy contract to the purchaser, or issuance of a so-called insurance certificate, which was used largely in my state.

Master Policies Issued

"It was the practice of insurance companies in my state to issue to the financing company a so-called master or blanket policy by which the issuing company would cover losses upon all automobiles financed by the insured company. As each automobile was purchased the finance company would report to the insuring company. Then the finance company, not the insuring company, would issue to the purchaser a certificate of insurance which stated in general and brief terms that the purchased car was insured. None of these certificates, however, was in any way

edited to acquaint the purchaser as to the real coverage and rate paid for the coverage and the date of expiration.

"The average insurance agent is industrious. He observes John Doe has purchased an automobile and immediately sets out to secure new business. The purchaser is approached on the subject of insurance. If he has had delivered to him the regular policy contract, he can produce it and take such additional insurance as is necessary and at the same time not jeopardize the policy issued with his finance plan.

Agents Take Advantage

"But if the purchaser is without information, the agent, judging from the past conduct of the finance company in regard to the protection of its interests, without taking into consideration the purchaser's interests, advises the latter that the finance company has protected its own interests alone. The result is that the purchaser, desiring to be protected, takes out insurance in addition to that of the finance plan, including the same coverage. A loss occurs and it is discovered that two insurance policies have been issued on the same car and for the same coverage and that all is invalidated. Some companies while denying liability to the



("Standard" of the "world."—Cadillac)

According to the dictionary, standard means: "Having the accuracy or authority of a standard; serving as a gage, test or model—standard gage."

And Home Policies come under this description. They are Standard! Standard in the strength they represent. Standard in the reputation they assure. Standard in the service rendered by the company behind them.

Home Agents anywhere and everywhere know that this standard is upheld by The Home. They know that their clients are satisfied with the Home Policies. They know that these policies are standard in deed as well as form.



THE HOME INSURANCE COMPANY NEW YORK

A Specialist Known As You Are Known

YOU are known in your community as a specialist in insurance—and so is the ATLAS Casualty Company known as a specialist, a specialist in automobile insurance.

ATLAS provides full coverage automobile insurance—fire, theft, liability, property damage, collision, tornado—writing any or all coverages in one policy; it provides facilities for handling one risk or a fleet with equal efficiency; it adjusts all claims promptly and satisfactorily; and it writes automobile insurance exclusively, devoting all its time to serving its agents and its policyholders.

A specialist, known as you are known, the ATLAS Casualty Company is able to offer you the benefits of this specialization in an attractive agency contract together with a sound and complete automobile insurance policy.

*Ask us to tell you
more about ATLAS!*

Atlas

Casualty Company

EXECUTIVE OFFICES
Fort Wayne, Indiana

OPERATING IN ILLINOIS, INDIANA, OHIO,
MICHIGAN, MISSOURI and PENNSYLVANIA

purchaser on the ground that he had invalidated insurance, were willing to and did pay any loss to the finance company as to its interest.

"Out of all these complications the department felt some action should be taken. In taking up the matter we naturally took into consideration the fact that the department had no control over the finance companies. The department under the Indiana law cannot prevent the finance company through some of its employees or officers from acting as an agent of an insurance company and doing the acts necessary to placing the business with the insurance company under the plans set out above. It was necessary then that any measures which were to be taken would necessarily be with the insurance companies, through any means that were given to the department by law.

Problem Could Be Handled

"When finance companies were issuing so-called certificates of insurance in the name of the finance company without using the name of an insurance company, the same purporting to be a certificate of insurance issued by the finance company, this could be easily taken care of by the department, considering that the finance company was holding out and representing itself to be in the insurance business, which is contrary to the statutes and could be stopped by action in the criminal courts."

At this point Mr. Wysong read an order he issued to all automobile insurance companies and associations in February, 1927, to the effect that from the beginning of the following month all policies issued through finance companies were to be standard automobile policies in which the interests of the automobile purchaser and the finance company were specifically designated. He continued:

Companies' Attitude Commendable

"The attitude of the major portion of the insurance companies toward the order was commendable. I believe that the insurance companies on the whole agreed with the department that the order was for the advancement of the insurance business and would be for a better attitude of the public toward insurance in general. The utmost co-operation was had from this class of insurers in compliance with and execution of the order. Objections came only from two classes of insurers—those companies whose greater volume of business in the automobile field came from the financed business, and that class of insurers whose stock was owned by finance business interests or which was built as a subsidiary to some finance company and was insuring only the business of its sponsor.

"The order was placed in effect and since the date of its effectiveness the department has not had a single complaint under its plan. It appears to us that the root of the evil was reached, and the injustices which were prevalent under the old conditions were wiped away.

Policy Should Be Issued

"I am of the opinion that in all cases of insurance issued under the deferred payment plan, if the purchaser is charged and pays for any item of insurance, or it is represented to him that insurance is carried in any way whatsoever, there should be delivered to the purchaser a standard policy with a mortgage or loss-payable clause. When such a contract is delivered to the purchaser he can then ascertain what coverage he has, what premium he has paid, the rate of his insurance and the date when the same expires. The purchaser having this evidence before him will then know whether he can go out and buy additional coverage without invalidating his policy."

Practice in New Hampshire

In discussing Commissioner Wysong's paper, Commissioner John E. Sullivan of New Hampshire said in part:

"If I ventured to assert that banking

institutions are not suited to qualify as authorized insurance agents or brokers to transact fire and casualty lines without some explanation, my contention would be scorned. It is my contention, however, that banking institutions cannot feasibly be so authorized owing to the fact of the great influence wielded by commercial bankers through their financial power. This is an important consideration, especially affecting the placing of insurance on automobiles purchased on a partial payment basis. It would be consistent and reasonable for an insurance commissioner to determine that bankers' influence could not effectively be restricted if they were authorized as insurance agents or brokers. The New Hampshire department has ruled that the lending power of banking institutions, which includes also the unregulated finance corporation as well as garages or their employees, cannot properly be allowed to function as insurance agents or brokers.

Not Entitled to Privilege

"I am convinced that such financial institutions are not entitled to the privilege to become authorized as insurance agents or brokers. The master policy referred to is a unique instrument. Its limitations and powers exceed those of an insurance commissioner, in my opinion, and as officials, state or federal, we are supposed to be in a class by ourselves when it comes to discretionary power and authority.

"I believe it to be a mistake to assume that automobile enterprises cannot be properly served by the use of a standard automobile policy, each risk to be covered under a separate policy. I am also strongly of the opinion that the resident agency system has rendered and can render in the future a service commensurate with insurance principles and that it is entitled to much credit for the established methods now in existence. The system should not be tampered with and its continuance is warranted by years of usage and experience."

Forming New Company

The Domestic Fire of New York is being organized, to have its head office in New York City. The incorporators of the company are: Theodore L. Sklamberg, Ephraim Ribatt, Abraham Semless, Max Freedman, Louis Rehak, Sidney S. Josephson, Israel Perlmutter, Emanuel Feder, Benjamin Balaban, Samuel J. Toback, George Joblove, Morris J. Feder and Max Heller.

Rossia to Increase Capital

The Rossia will shortly make a capital increase. The amount to be added will probably be \$400,000, making the outstanding issue \$2,000,000. President Carl F. Sturhahn says "a capital increase is contemplated," but declined to amplify the statement until notices were issued to stockholders. In common with fire insurance companies in general, Rossia, which is engaged in reinsurance, has had a profitable year thus far.

Luncheon for Kelsey

H. N. Kelsey was given a luncheon last Friday by Robert P. Barbour, United States manager of the Northern Assurance and the London & Scottish. On that day Mr. Kelsey retired as deputy manager of the Northern and United States manager of the London & Scottish. The other guests at the luncheon were the heads of the departments in the offices of the two companies and on their behalf Mr. Barbour presented Mr. Kelsey with a mahogany chime clock. The office staff also presented Mr. Kelsey with a token of their appreciation.

More Entries Announced

Following are the most recent entries in the inter-chamber fire waste contest conducted by the National Fire Waste Council, under the auspices of the United States Chamber of Commerce: Iron Mountain, Mich.; Rocky Ford, Colo., and Jennings, La.

Why This Mad Sacrifice to Fire?



The Great Cross of the American People Is Carelessness

THAT can be the only answer when anyone asks why fire is permitted to destroy property valued at more than a half billion dollars annually. . . "carelessness in regard to fire."

To curb this gigantic loss is the task of Fire Preventionists everywhere. Theirs will be a long, hard fight, to cut down fire-waste—a battle that will take all the energy of those interested. Public Opinion must be aroused and educated to a high pitch of resentment against *carelessness in regard to*

fire until it is looked upon in the proper light—as a crime against the community. But it will be a fight well worth the metal of the best, for not only is this unheard-of sum at stake, but also 15,000 human lives which are lost every year and as many more that are injured.

Agents of The Carolina would do well to join in combating the national menace of fire-waste—in making the great struggle a successful issue. Let Fire Prevention Week be just the start of an all year campaign.

The CAROLINA Insurance Company

New York Office
59 Maiden Lane

Advocating the Agent

ALL Alliance Advertising urges property-holders to consult with their Alliance Agent for scientific, thorough coverage—instead of merely “taking out some Insurance.”

The object of this advertising is to gain for the Alliance Agent a wider public recognition of the agent's importance as an *insurance counselor*.

Thus the Alliance Agent is helped to build up his individual prestige, backed by a Company of recognized strength and soundness.



**THE ALLIANCE
INSURANCE COMPANY**
of PHILADELPHIA

Head Office
1600 Arch Street, Phila., Pa.
209 W. Jackson Blvd., Chicago, Ill.
231 Sansome Street, San Francisco, Cal.
8th fl. Hurt Bldg., Atlanta Ga.

NO ACTION TAKEN ON NON-POLICY WRITERS

REVIEWED AT E. U. A. MEETING

Three Distinct Groups Among Companies—No Indication as to Ultimate Procedure

NEW YORK, Oct. 5.—Though the status of non-policy writing agents and the attitude that should be taken thereto by the Eastern Underwriters Association was considered from every possible angle at the unusually well attended meeting of the organization in this city several days ago, and the practical exclusion of all other subjects, no definite agreement in the matter was arrived at, other than to refer it back to the executive committee with the suggestion that it present a recommendation at a subsequent general meeting of the association. The thought was that the executive committee, having learned the opinions of the members generally, would be in a position to formulate a program that would probably prove acceptable to the majority of the offices.

Is Live Issue

The executive committee usually meets the 2nd and 4th Tuesdays of each month, while association gatherings take place on the 3rd Thursday. How soon the executive committee will be able to prepare a report, much less the nature of its recommendations, is of course a matter of pure conjecture at this time, and is not likely to be known until it be formally offered to the organization.

Following the conceding by the association some months ago of the right of a particular company to pay 15 percent commission to non-policy writing agents, with the stipulation that it restrict the practice to its own representatives and not endeavor to secure those of other offices, agents generally who were receiving the flat 20 per cent commission, or the 15, 20 and 25 percent graded scale, out of which they must pay all operating expenses, voiced a vigorous protest, maintaining that the organization should not grant a privilege to any member company that was not enjoyed to every other, and further contending that there should be but two forms of compensation allowed business solicitors, namely, agents' commissions and brokerages.

Many Plans Considered

An amendment to the constitution of the association recognizing the institution of non-policy writing agents and providing that they be paid a commission five percent below that given regular policy-writing representatives, was before the gathering last week. It was overwhelmingly beaten. The further proposition that companies now employing non-policy writing agents be permitted to retain them for a period of five years, with the understanding that no new connections be made meantime, was likewise defeated, though by a lesser vote; still more favorable consideration was given the motion that the limitation period be placed at three years. The problem was reviewed first as to the eastern territory as a whole and later as respects the ordinary field only, upon the basis that to legislate upon the “expected cities” would hamper the work of the special committees now dealing with such centers.

Briefly sentiment at the gathering may be broadly divided into three classes (1) the companies that were in opposition to recognizing non-policy writing agents at all; (2) those that recognized though they did not approve the institution but were willing to concede a reasonable time for offices maintaining such connections to clear; (3) those that favored continuing the practice. The latter mentioned did not defend their

(CONTINUED ON PAGE 56)

NEW JERSEY AGENTS IN LIVELY ANNUAL SESSION

ACT ON NON-POLICY WRITERS

Strenuous Resolution Directed to Eastern Underwriters Association—Godshall Re-elected President

NEWARK, N. J., Oct. 5.—Harry L. Godshall of Atlantic City was unanimously re-elected president of the New Jersey Association of Underwriters at its annual meeting here last Friday. Frederick Hickman, also of Atlantic City, was rechosen secretary-treasurer. It was agreed to name a vice-president for each of the counties of the state, the following being selected: P. E. Howard, Atlantic; J. J. Smith, Bergen; W. S. McClellan, Camden; J. Dittrich, Cape May; W. H. Hall, Essex; W. H. Briell, Gloucester; Harvey B. Nelson, Hudson; Scott Fell, Mercer; William Fraser, Middlesex; H. Berdsall, Monmouth; N. G. Hurtzig, Morris; A. R. Smock, Ocean; H. W. Mondon, Passaic; Merchant Meeker, Union, and A. B. Craig, Warren. The executive committee was empowered to name vice-presidents from the counties of Burlington, Hunterdon, Salem, Somerset and Sussex. Fred Cox of Perth Amboy was chosen chairman of the executive committee; the associate members being W. M. Dickinson, Trenton; James Ransom, Jersey City, and Thomas Cocker, Paterson.

Resolutions Adopted

Two resolutions were adopted by the association, that defining the attitude of the members toward non-policy writing agents reading:

“Whereas: Certain fire insurance companies, members of the Eastern Underwriters Association, have been granted special concessions by the Eastern Underwriters Association, in the appointment of so-called non-policy writing agents whereby said non-policy writing agents receive compensation greater than that allowed brokers, and

“The business a non-policy writing agent obtains is secured by him in the same manner that a broker obtains his business, and

“The non-policy writing agent performs no service to the assured that the broker does not perform, and

“The non-policy writing agent is no more valuable to his company than a broker inasmuch as he submits the business in the same way, and

“A broker has to qualify to secure a broker's license and to pay the cost of it, while a non-policy writing agent is merely appointed by his company without any expense to him, and

Cite Agreements

“The appointment of non-policy writing agents is only a subterfuge for the company appointing them to secure for itself a greater premium income, and by the appointment of non-policy writing agents the company greatly increases the number of persons engaged in the insurance business to the detriment of regular policy writing agents, and

“The agents of New Jersey attending the various meetings of the Eastern Underwriters Association were given to understand that the by-laws of the association provided that the compensation to be paid non-policy writing agents, sub-agents and solicitors would not be in excess of brokerage rates, and

“The new grade of commissions as contemplated by the Eastern Underwriters Association for the State of New Jersey were consented to by the agents of the so-called ordinary territory attending the meetings with the understanding that the Eastern Underwriters Association would abide by its promises and clean its own house at the same time as it cleaned the house of the agents; Resolved, that this association is opposed to non-policy writing agents.”

The second resolution was complied with.

(CONTINUED ON PAGE 56)



Still Paying

HERE is a crippled factory building, still paying rent to its owner — thanks to Rent Insurance.

But more important yet, it is paying the agent who sold this valuable protection to his client. It is paying in good will — in greater confidence — *in more business*. Our agents find that the client who sees his interests so carefully watched can be sold many more types of essential insurance. The favorable comment of such clients to their friends has also been a great factor in the success of agents of this company.

In addition to selling Rent Insurance to landlords, our agents are telling property owners who occupy their own premises about Rental Value Insurance. And to protect other clients against higher rents when fire terminates their lease they are telling them about Leasehold Insurance. All these are cases where "Telling them and Selling them" pays the agent for many years to come.

THE **LIVERPOOL**
AND **LONDON**
AND **GLOBE**
Insurance Co., Ltd.

Western Department
CHICAGO

Pacific Coast Department
SAN FRANCISCO

Executive Offices: 1 Pershing Square, Park Ave. at 42nd St., New York, N. Y.

THE NATIONAL INSTITUTION WITH A WORLD WIDE BACKGROUND

An Investment

A man buys bonds, mortgages, etc., for one reason, namely, he knows they are good investments.

Sell your client on the necessity of an *appraisal for the same reason. It is a safe investment, and a guarantee against loss due to under-insurance. Correct insurable values are arrived at in a way that leaves no room for doubt in the mind of any one.

And while you are stressing the point, insist on a Lloyd-Thomas *appraisal.

"WHAT IS AN APPRAISAL?"—It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

"ITS ADVANTAGES"—1st—It discovers insurable values that have long been written off the books through unscientific depreciation—2nd—It gives the agent, the assured, and the companies value facts of property. 3rd—It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance.

The Lloyd-Thomas Co.

RECOGNIZED AUTHORITIES ON PHYSICAL VALUES

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NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

100 William Street - - - New York City

FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY

VIEWED FROM NEW YORK

By GEORGE A. WATSON

BROOKLYN PREMIUMS DECREASE

Fire insurance premiums for the first half of 1927 decreased about 5 percent in Brooklyn, according to figures issued last week by the New York Board. The fire premiums for the first half of this year in Brooklyn totaled \$7,346,169, compared with \$7,713,699 for the same period of 1926, a decrease of \$367,530 or 4.76 percent.

The figures announced for Brooklyn, added to those previously reported for Manhattan and the Bronx, make a total for New York City of \$25,780,053 in the first half of 1927, compared with \$26,976,739 in the same period of 1926, which is about the same percentage of decrease as shown by Brooklyn itself. The individual leader in premiums in Brooklyn was the Home of New York with a total of \$233,801, compared with \$238,551 in the half year of 1926. The Fidelity-Phenix was second with \$224,159, a gain over the \$213,232 reported in the first half of 1926. Of the company groups, the America Fore group was considerably the leader, with a total of \$630,277, compared with \$586,598 in 1926. The Home of New York group was second with \$420,099 for the first half of this year, compared with \$381,812 in the same period of last year.

COLUMBIA UNIVERSITY PLAN

Approving the plan put into operation by the school of business of the Northwestern University in Chicago about two years ago at the suggestion of western managers, a number of company officials of New York City induced Columbia University to open a special course for students who intended entering fire insurance offices. Under the arrangement prospective students must be high-school graduates, and in the event of being nominated for scholarships must spend the forenoon in the office of the company obligated for their tuition, attending classes in the afternoon or evening. The initial class at the university has a membership of 20, chosen by a committee made up of W. E. Mallalieu, general manager of the National Board; Sumner Rhoades, manager Eastern Underwriters Association; E. R. Hardy, assistant manager New York Fire Insurance Exchange; W. B. White, superintendent of surveys of the New York Board, and W. J. Ward, secretary New York Fire Insurance Rating Organization. The companies that have cooperated in the movement thus far, and have assumed responsibility for tuition and allied dues of one or more students, include the New York Underwriters, Home, Pacific, Phoenix Assur-

ance, Great American, Commercial Union, North British & Mercantile, Liverpool & London & Globe, London Assurance, Royal Exchange, Royal, Globe & Rutgers, Niagara and Westchester.

* * *

NEW YORK BOARD'S WARNING

The frequent fires caused each year by defective heating and lighting equipment have led the New York Board to issue a special warning at this particular time when heating equipments are again being put into service after disuse during the summer. Seeking cooperation in its efforts to reduce the fire hazard, the board urges that all heating equipment be carefully inspected so that any needed repairs may be made before the advent of cold weather, recommending a thorough cleaning of flues and smoke pipes and a like inspection and repairing of all lighting systems. Systematic care of motors, fuel, packing materials, paints and general refuse is also essential.

As the temporary use of motion picture machines in churches, schools, etc., constitutes a serious increase in the normal fire hazard if flammable films are used, a permit should always be obtained in advance for use of such machines in order to comply with the law as well as the terms of the fire insurance policy.

Oil burners are a danger unless properly constructed, installed and maintained, and contractors installing such oil-burning heating equipment should always be required to furnish an approval in writing.

* * *

NEW CORPORATION LICENSED

A New York license has been issued to the Reinsurance Corporation of America. The company will transact fire business. It starts with \$300,000 capital and \$150,000 surplus. Horace R. Wemple is president of the new company and Howard D. Burroughs is secretary. With the exception of 260 shares, all of the 12,000 shares of stock of the company are held by the American Phenix Corporation of New York City.

* * *

BARBOUR ENTERTAINS STAFF

The entire executive and office staff of the Northern Assurance was entertained at a dinner dance at the Hotel St. George in Brooklyn Wednesday evening. United States Manager R. P. Barbour arranged the affair to strengthen the feeling of good will already existing among employees of the organization.

AS SEEN FROM CHICAGO

MANY RADIO TALKS

During the coming week, a number of radio talks on farm fire prevention will be broadcasted from various stations, as follow: Wednesday, 6:30 p. m., Floyd E. Brown of the Mountain States Inspection Bureau, "Chimney Hazards," Station KOA, Denver; 7:20 the same evening, Harry H. Hughes of the farm committee of the Ohio Fire Prevention Association, "Rural Red Carnival," WLW, Cincinnati; Thursday, 12:30 p. m., P. J. V. McKian, insurance editor Chicago Evening Post and news service editor of the fire prevention department of the Western Actuarial Bureau, "Fire Loss—Cause Unknown," WLS, Chicago.

BASKET BALL LEAGUE MEETS

The Insurance Basket Ball League of Chicago will hold a meeting Oct. 10, at 410 North Michigan avenue, twelfth floor, 5:30 p. m.

All companies wishing to be repre-

sented in the Insurance Basket Ball League for the coming season are requested to have a representative present at this meeting.

* * *

IS CHICAGO AGENT

In a recent issue of THE NATIONAL UNDERWRITER an announcement appeared erroneously to the effect that the National Guaranty Fire of Newark, N. J., had established a new reinsurance department in Chicago, in charge of W. E. Smith, who makes his headquarters with Wolfe-Steffin Agency. This agency is not a reinsurance binding office for the company but merely represents it as local agent.

* * *

MARQUETTE NATIONAL PAYMENTS

The department of trade and commerce of Illinois, which is liquidating the Marquette National Fire of Chicago, figures that it can pay 50 percent to creditors if it can validate its reinsurance claim against the Continental and realize



A PILLAR OF FLAME



A freak fire, showing the upper portion of the new Sherry-Netherland Hotel, New York, enveloped in flames by burning scaffolding which surrounded it.

A PILLAR OF FLAME, immeasurably more deadly and costly than this freak fire, spurts up from countless American homes, business places, schools, churches and hospitals every year. Not content with the staggering property loss which results, fire takes its toll in thousands of human lives also, and in still other thousands of maimed. . . . It seems as though carelessness in regard to fire has become the great trial of the American people.

They must be educated to change their attitude of indifference toward fire losses. They must be imbued with an intelligent respect for the suffering fire brings annually—

taught the best methods of Fire Prevention in their homes and businesses.

The enormous total each year is now well over the half billion mark—a large percentage of which results from preventable fires. How terrible would be the outcome, financially, if those who suffer loss from fire which originated because of carelessness, were compelled to pay the price of their own negligence!

If financially sound stock insurance companies, such as the Harmonia, did not offer the protection they do, innumerable homes and business places would go out of existence each year.

"Stop This Mad Sacrifice to Fire"

HARMONIA

Fire Insurance Company

New York Office
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Do You Write Dry Cleaners?

Too hazardous—they don't
HAVE to be!

How about the personal insur-
ance of the owners. Do you
write it? Would you?

Then drop the coupon below in
an envelope and mail it today.

It will bring you the story of
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confidence and appreciation of
the laundry and dry cleaning
owners of your community for
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tion on how the units
work and how dry clean-
ing establishments may ac-
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Position



SCHLESCO-SHURE UNITS are listed as stand-
ard by Underwriters Laboratories.

Approved by N. Y. Industrial Code Commission.

Approved and recommended by prominent insur-
ance and fire officials. Designed to comply with
all State and City Fire Regulations.

Schlesco-Shure products are distributed to Dry
Cleaners exclusively through the Glover Sales Co.
of Kansas City, whose sales and service engi-
neers are at the command of present and prospec-
tive Schlesco-Shure users.

on the assets of the Pittsburgh Fire, whose stock it owned. These constitute its chief assets. The Marquette National sent some \$300,000 to its foreign branch at Zurich and did not realize a penny in return. It had reinsurance contracts with some 80-odd companies of various countries. It took reinsurance from them, allowing these companies to pay losses without rendering a specific loss proof. The Mannheim was the main company ceding it reinsurance. These companies have filed loss claims amounting to thousands of dollars against the Marquette National. H. U. Bailey, Illinois director of trade and commerce, went abroad and succeeded in settling some claims at 7 cents on the dollar and others at 10 cents. He has not gotten a settlement out of most of them. They refuse to make a specific accounting showing the exact losses. The Marquette National thus sank a fortune in this reckless foreign venture.

The Illinois authorities have just completed an appraisal of land in Minnesota owned by the Marquette National and pronounce it worthless.

INSURANCE CLUB'S PLANS

At a meeting of the board of directors of the Insurance Club of Chicago held last Monday, it was decided to have a speaker at the club luncheon every other Tuesday during the coming season. The first speaker will be heard on Oct. 18.

A membership drive was inaugurated. Louis J. Fohr, manager of the Connecticut Mutual, will act as captain of the life and casualty membership teams, and Barton E. Walker of the Tokio will be captain of the fire team. Each team is expected to secure at least 50 new members by Nov. 12, upon which date the members of the club will go to Champaign, Ill., in a specially chartered car to witness the Illinois-Chicago football game.

The officers of the club report that the attendance at the luncheon each day is larger than was originally anticipated and that the affairs of the organization are moving along in a satisfactory way.

HARTFORD MEN MEETING

The annual conference of the officers and executive committee of the Bissell Field Club is being held in Chicago this week. There are nine in attendance, they being the six members of the executive committee and the officers. James S. McHugh, Iowa state agent of the Hartford, is president.

The Bissell Field Club is composed of Hartford field men in the middle west, and it is their executive organization. It holds an annual conference with the western department officials and shapes up the program for the general field conference attended by all of the Hartford field men each February.

COOK COUNTY FIELD CLUB

The first meeting of the season of the Cook County Field Club will be held Monday, Oct. 10, in the form of a luncheon in the Fraternity room of the Great Northern Hotel at 12:15. Philip Creeden, director of research of the Chicago Board, will be one of the speakers and Clarence Armstrong, assistant chief engineer of the National Board, will give a talk on fire prevention. Walter R. Putz of the Niagara is president of the organization and is arranging the programs this year.

NEW UNION COMMITTEES

John M. Thomas, western general agent of the Aetna and newly elected president of the Western Union, has appointed new standing and special committees, which he announced this week. Interest centers in the personnel of the governing committee upon which

F. P. Hamilton of the Queen, E. A. Henne of the America Fore group and A. F. Powrie of the Fire Association succeed J. R. Wilbur, America Fore group; H. T. Cartledge, Liverpool & London & Globe, and W. B. Flickinger, Philadelphia F. & M. J. R. Wilbur will retire as chairman of the governing committee at the meeting to be held next Tuesday at which time his successor will be appointed. The personnel of the various committees as announced by Mr. Thomas is as follows:

STANDING COMMITTEES

Arbitration—E. W. Law, Royal, Chairman; F. W. Bowers, Connecticut; W. A. Chapman, Fireman's Fund; G. T. For-

OPPORTUNITIES

This column serves as a market place where insurance wants may be made known to thousands of interested insurance men.

Advertisements which are received before 9:00 A. M. Wednesday are inserted in the current issue. "Opportunities" advertisements are \$5.00 an inch for one insertion.

The National Underwriter
Chicago

Examiner Position Wanted

Young man with eight years of underwriting and field experience would like to make connection with Western Department located in Chicago. Address B-92, care The National Underwriter.

ADJUSTMENT BUREAU FOR SALE

A well established 14-year old general adjustment and service bureau serving Illinois, Iowa and Missouri—located in thriving city of 40,000—can be had at an attractive figure. Reason for sale—death of manager. Address C-11, care The National Underwriter.

2 MEN WANTED

A leading farm writing company wants an experienced adjuster and an experienced business developer for a middle western state, east of the Mississippi. Intelligent cooperation will be given and the salary will be adequate.

Application will be considered carefully and confidentially. Our own men know of this advertisement.

Address C-7

Care of
The National Underwriter

The ART-GRAFTS ENGRAVING CO.

• Superior Printing Plates •
Perfection of Depth and Color
Canal 260-S 705-11 Sycamore St.
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JAS. M. TEAHEN, Treasurer M. E. BLACK, Assistant Secretary
ROBERT R. BUCKNELL, Assistant Secretary

bush, Royal Exchange; C. A. Ludlum, Home; W. E. Miller, Fred S. James; E. W. West, Glens Falls.

Arrangements and Good Fellowship—A. F. Powrie, Chairman; Milton Dargan, Royal; W. E. Miller; W. J. Robertson, Alliance; John P. Stafford, Sun.

Bulletin—W. P. Robertson, Chairman; R. P. Barbour, Northern of England; H. T. Cartledge; C. W. Higley, Hanover; A. F. Powrie.

Fire Protection Engineering—A. G. Dugan, Hartford, Chairman; H. T. Cartledge; Charles E. Dox, London & Lancashire; John C. Harding, Springfield; C. W. Higley; J. M. Thomas; C. R. Tuttle, North America.

Governing—A. G. Dugan; F. P. Hamilton; J. C. Harding; Geo. C. Long, Jr., Phoenix of Hartford; Geo. H. Bell, National of Hartford; E. A. Henne; A. F. Powrie; Fred A. Rye, Commercial Union; W. L. Steele, Niagara; C. R. Street, Great American, ex-officio.

Grievance—C. R. Tuttle, Chairman; B. G. Chapman, Jr., American Central; J. F. Stafford; Geo. H. Batchelder, North British; S. H. Quackenbush, Westchester; C. R. Tuttle.

Maps—C. R. Street, Chairman; P. Beresford, Phoenix of England; Hart Darlington, Norwich Union; B. G. Chapman, Jr.; E. A. Henne.

Membership—W. A. Chapman, Chairman; John R. Griffin, Northwestern Fire & Marine; J. A. Kelsey, Tokio Marine & Fire; F. B. Luce, Providence-Washington; Geo. K. March, Detroit National; W. E. Miller, J. H. Packard, London Assurance.

Press—W. L. Steele, Chairman; Hart Darlington; E. B. Hatch.

Public Relations—Fred A. Rye, Chairman; F. R. Bigelow, St. Paul Fire & Marine; J. C. Harding; C. F. Shallcross, North British; C. R. Tuttle.

Publicity and Education—W. H. Lininger, Springfield Fire & Marine, Chairman; W. B. Flickinger, F. P. Hamilton; W. E. Miller; D. E. Monroe, American Central.

Uniform Forms—John F. Stafford, Chairman; Geo. H. Bell; W. H. Lininger; E. A. Henne; W. L. Lerch, Royal.

West Virginia-Supervisory—Geo. C.

Long, Jr., Chairman; E. A. Henne; A. G. Dugan.

SPECIAL COMMITTEES

Large Cities—Geo. H. Bell, Chairman; A. G. Dugan; C. R. Street; C. F. Shallcross; J. R. Wilbur; Hart Darlington.

Field Organizations and Blue Goose—H. T. Cartledge, Chairman; J. C. Harding; Fred A. Rye; C. F. Thomas, Aetna; C. R. Tuttle.

Loss Adjustments—Cook County—W. L. Lerch, Chairman; A. G. Dugan; J. C. Harding.

Inland Marine Competition—R. B. Ives, Aetna, Chairman; F. R. Bigelow; G. G. Bulkley, Springfield Fire & Marine; A. G. Dugan, Geo. C. Long, Jr.

Over-Organization Expense—Multiplicity of Types of Policies—J. F. Stafford, Chairman; H. T. Cartledge; W. A. Chapman; F. P. Hamilton; W. E. Miller.

Cooperation in Loss Adjustment Practices—Fred A. Rye, Chairman; J. F. Donica, America Fore; F. B. Luce; A. F. Powrie; C. F. Shallcross.

Loss Defense Clearing House—Walter C. Leach, Minneapolis Fire & Marine, Chairman; H. T. Cartledge; A. G. Dugan; C. A. Ludlum; J. R. Wilbur.

Contractual Relations With Agents—C. R. Street, Chairman; Fred A. Rye; W. L. Steele; J. M. Thomas; J. R. Wilbur.

Rocky Mountain-Supervisory—W. B. Flickinger, Chairman; J. A. Campbell, Home; Fred A. Rye.

* * *

PLAN LUNCHEON CLUB

Plans for a Chicago insurance luncheon club composed of representatives of the fire, casualty and life branches of the business are again being made, after having been dropped 10 years ago because of economic depression resulting from the outbreak of the world war. Recently the matter was brought up before the Chicago Board, which agreed to lend moral support to founding the club but is not sponsoring the club. At that time the following committees were formed to sound the "street" on its reaction to the proposal:

Fire—Rockwood Hosmer, vice-president of R. W. Hosmer & Co., chairman; Hamilton Loeb, vice-president of Eliel & Loeb, and James I. Naughten, vice-

president of Metropolitan-Hibernia. Casualty—Charles H. Burras, president Joyce & Co.; George Tramel, manager of the accident and liability department of the Aetna Life, and Elmer Shafer, manager of the casualty department of Fred S. James & Co. Life—Karl B. Korrad, general agent of Connecticut General Life, chairman; Samuel Heifetz, general agent Mutual Life of New York, and Samuel T. Chase, general agent Connecticut Mutual Life.

If the reactions to the club plan are favorable a working committee will later be formed, on which all of these men probably will function. The plan at present is that the membership will be closely limited, probably between 600 and 800. If enough members can be obtained, the top floor, or perhaps the two upper floors of the new Insurance Exchange building under construction behind the present exchange, will be taken as club quarters.

J. S. Glidden, associate manager of the Chicago Board, emphatically stated that the club is not a board proposition. The board has agreed merely to give the proposal an initial push and act as an emissary to the "street." If the insurance fraternity wants the club the board will handle the details of getting it started.

* * *

DRAKE'S 44TH ANNIVERSARY

Lyman M. Drake of Critchell, Miller, Whitney & Barbour, Chicago, celebrated the 44th anniversary of his entrance into the insurance business last Tuesday. He began his career in the original Critchell office and has been continually in service in that office, aiding greatly in its development and expansion. On Tuesday he mentioned to W. S. Herrick, founder of the Herrick, Auerbach, Vastine & Dudley insurance firm of Chicago, that he had reached his 44th anniversary, and Mr. Herrick countered with the statement that he had entered the busi-

(CONTINUED ON PAGE 55)

CHANGES IN THE FIELD

S. O. Norton

S. O. Norton has been appointed state agent for the National Union Fire in West Virginia. Mr. Norton has been connected with the Mountain States Insurance Agency at Montgomery, W. Va., for the past nine years. He has opened headquarters for the National Union and also the National Union Indemnity in the Virginia Land Bank building at Charleston, W. Va.

Samuel R. Gardner

Samuel R. Gardner has been appointed by the National Union Fire as its special agent for western New York, with headquarters at Rochester. For a number of years Mr. Gardner was in the service of the Phoenix of Hartford at its head office, and since 1924 has been manager of the Rochester office of the Automobile.

J. L. Hon

John L. Hon has been appointed state agent for southern Illinois by the National Liberty, to succeed Lloyd W. Brown, who recently resigned. Mr. Hon, who for the past five years has been connected with one of the large company fleets in the southern Illinois territory, will maintain headquarters at Decatur.

AMERICAN PHENIX OFFERS STOCK

The American Phenix Corporation, a new reinsurance company, is now offering 30,000 shares of general stock at a par value of \$30. Proceeds from the sale of these shares, which are priced at par, will be used to acquire all capital stock of the Reinsurance Corporation of America, recently licensed for fire insurance business in New York.

A One-Passenger Train Requires as Much Steam to Run as a Full Train—Organize Your Office to Write ALL the Many Lines We Sell

NORTHERN ASSURANCE COMPANY LIMITED,
OF LONDON
UNITED STATES BRANCH

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PACIFIC COAST DEPT.
C. E. ALLEN, Mgr.
228 Pine Street, San Francisco, Cal.

50 JOHN STREET, NEW YORK
H. N. KELLEN, Deputy Mgr.

MIDDLE DEPT.
Wm. H. McGEE & Co.
11 So. William St., New York, N.Y.

C. W. COOPER, Secy.



THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

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O. M. KOENIG, Resident Manager

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Is There Danger in Grouping?

INSURANCE officials have been interested in the position taken by Superintendent BEHA of New York wherein he holds that the investment laws governing New York companies must be applied to other state companies. For instance, under the New York law a company cannot invest more than 50 percent of its surplus in stocks of other insurance companies. This applies to holding companies also. Theoretically Mr. BEHA has some good grounds for his position. He claims that the dollar invested in insurance capital becomes diluted by the pyramiding of insurance stocks, especially where there are three or more companies in a group, parent company owning the control, either directly or through a holding company. He feels that in case of a catastrophe when the assets of companies would be heavily drawn upon, the stocks of other companies could not be disposed of to good advantage.

As a matter of fact, the insurance departments do not have any difficulty with the big company groups because they are financially sound. Because of their importance financially they command the best underwriting talent. They are well managed. Their books are kept in good shape, they have checks on their operations. They have the confidence of the people. The possibility of a company in a big group becoming embarrassed is remote indeed. Insurance departments will license a company that

has met the minimum requirements and yet the New York department objects to a parent company owning more than 50 percent of the stock of its subsidiaries even though its financial position from the standpoint of strength is far superior to the small company.

Practically, the group system has been successful in many ways. It has enlarged the scope of operations of smaller and medium sized companies. It has given a wider distribution of liability and the advantages of interchange of business are numerous. The insurance commissioners find these big company groups the least of their troubles.

The problems confronting the commissioners are found with small, weak concerns that technically comply with the law but actually are operating on a small margin. It is here that the public is exposed to danger because these concerns are decidedly doubtful from the standpoint of permanency. It has happened that in some cases there may be two or three weak companies trying to operate in a group. There is a shifting of assets back and forth with the hope of bolstering up the financial ballast of the constituent members of the group.

In our opinion the insurance commissioners might well turn their attention to really grave abuses instead of trying to harass strong, financial institutions that meet their obligations promptly and whose permanency and soundness is unquestionable.

What Everyone Should Think

INSURANCE of all classes and tornado insurance in particular is frequently given editorial recognition by the newspapers of the country, but there is always interest and appreciation in a very open tribute paid editorially by a paper of the rank of the "Ohio State Journal." On Oct. 1, the morning following the St. Louis tornado, the "Ohio State Journal" commented on the immediate catastrophe in particular in its leading editorial and then concluded with the following tribute to insurance, answering a question which every property owner in the country should answer in the affirmative:

"We should think a tornado insurance

policy would be a good investment for the owner of a valuable building just as we consider fire insurance and accident insurance good investments for persons who do not really expect to have fires or accidents."

Knowledge and wisdom, far from being one have oftentimes no connection. Knowledge dwells in heads replete with thoughts of other men; wisdom in minds attentive to their own. Knowledge—a rude, unprofitable mass, the mere materials with which Wisdom builds, till smoothed and squared and fitted to its place, does but encumber whom it seems to enrich. Knowledge is proud that he has learned so much; wisdom is humble that he knows no more.—Cowper.

PERSONAL SIDE OF THE BUSINESS

John H. Schively, secretary of the Insurance Federation of California, who celebrated his birthday last week, was the recipient of many good wishes and tokens of esteem from his friends in the insurance business on the Pacific Coast. Mr. Schively is known throughout the coast territory, where he has made many addresses on insurance.

E. C. Hauser, engineer for the North British & Mercantile fleet in Wisconsin and Minnesota, with headquarters at Milwaukee, gave his friends in the insurance business a surprise last week, when he was married in Chicago to Miss Ann Lohret. Mr. and Mrs. Hauser have left for a trip through Wisconsin and Minnesota where Mr. Hauser will visit several risks, and from there they will go to his former home in Kansas City for a visit.

M. O. Rowland, who died recently at his home in Detroit, was formerly active in the fire insurance business. At the time of his death he was devoting his time to life insurance, being secretary of the American Life of Detroit. His earlier career, however, was in fire insurance. He started as a clerk in the Michigan insurance department when James V. Barry was insurance commissioner. In 1909 he succeeded Mr. Barry as state commissioner. He resigned his position to become president of the Detroit National Fire. Later he went to New York as comptroller for the Atlas. In 1919 he returned to Detroit, but then transferred his interests to life insurance going with the American Life.

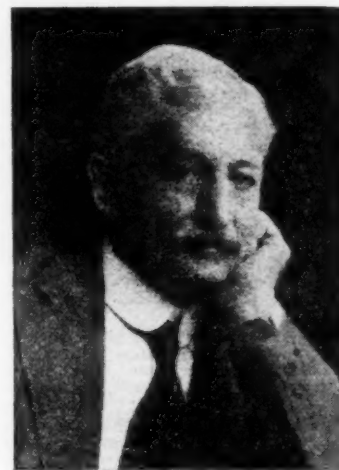
Two men who attended the meeting of the insurance commissioners in Cincinnati last week were connected with the Ohio insurance department 30 years ago. **W. J. Beggs**, now vice-president of the Western Fire of Fort Scott, Kan., was secretary to Commissioner W. M. Hahn and **Walter R. Fogg**, now Ohio state agent of the Western Fire, was license clerk. Mr. Fogg left the department to become special agent of the New York Underwriters serving in that position until a few months ago. Mr. Beggs also went into the field, traveling for the Aetna and later for the Continental. He served as secretary of the Cleveland local board and then entered the local business in Cleveland.

William E. Rollo of Rollo, Webster & Co., Chicago local agency, is in the Presbyterian hospital in that city recuperating from an operation for an intestinal disorder. He is reported recovering uneventfully and is expected to return to his office in a short time.

Samuel Ludlow, Jr., formerly vice-president of the First Reinsurance of Hartford and at present manager of the Central Reinsurance Bureau, which handles the Registered Mail Bureau for 27 different companies, has been made a general partner in the firm of Goodwin, Beach Company, investment brokers of Hartford, particularly known for its transactions in insurance stocks. Mr. Ludlow will continue to manage the Registered Mail Bureau and will also continue as president of the Underwriters Service Corporation.

On the occasion of his retirement from the field as state agent of the Great American after 43 years of service, **Phil H. Knighton** of Hannibal, Mo., was honored by more than 100 field men, local agents and an official of his company at a dinner in St. Joseph, Mo., last week. Mr. Knighton is one of the best known field men in Missouri and the dinner given for him left no doubt as to the love and respect which is shared by every field man in the state for this veteran of the insurance business.

Mr. Knighton is 76 years old and entered the field service in 1882. Gathered



PHIL H. KNIGHTON

in his honor were many of the older field men who had served with him in the early days, along with the younger men, many of whom received their first training from him. Charles R. Street, vice-president of the Great American, represented the company on this occasion, and was the principal speaker at the dinner. W. L. Ely presided as toastmaster. Among the speakers were Charles A. Proudfit and Capt. A. B. Diggins, both old friends of the guest of honor. Raymond W. Smith gave "A Younger Field Man's Impressions." W. O. Woodsmall on behalf of the field men presented to Mr. Knighton a half dozen silver goblets. Mr. Knighton responded and spoke briefly but with obvious feeling.

As principal speaker of the evening, Mr. Street said that Mr. Knighton would be state agent of the Great American until he died, stating that the retirement was not a retirement in the ordinary sense of the word but a reward for long and faithful service.

The experience of endeavoring to collect loss for a stolen car in one's own company falls to **Morgan B. Brainard**, president of the Aetna Life and affiliated companies, who lost one of his several cars last week when a Buick sedan was stolen in Hartford.

The many friends of **John Marshall, Jr.**, vice-president of the Fireman's Fund, who was stricken while in the Chicago office Sept. 19, were glad to see the marked improvement in his physical condition upon his return to San Francisco last week.

John C. Kelly of the Wheeler-Kelly-Hagney local agency at Wichita, Kan., was "toasted" in this week's issue of the Wichita "Eagle" on the special page of the Sunday magazine devoted to "Sunflower folks." On this page some of the notables of Wichita are sketched with some interesting facts each week, and this week Mr. Kelly's life story, emphasizing the founding of his insurance agency, is given full page display.

W. L. Mooney, vice president of the casualty departments of the Aetna Life and affiliated companies, has been elected a director of the Hartford Chamber of Commerce, as has **C. S. Timberlake**, secretary of the Hartford Fire.

SCIENTIFIC QUESTION

Where is the wind
When it isn't blowing?
Scientists say
There is no knowing.
I ponder and think
But 'tis heavy going.
Where is the wind
When it isn't blowing?
—W. Lightfoot Bennett, Chicago.



They do their part —

Do you do yours?

Down the pole—on the engine—they're off!

Just part of the every day—and every night—lives of the fire fighters. They do their part and do it well, these twentieth century Minute Men.

Yet how many, how very many of us thoughtlessly, carelessly add to their troubles and to our own misfortunes by not practising the few rules of fire prevention.

Each year October 9th is Fire Prevention Day in a Fire Prevention Week. Each year emphasis is put on the necessity of reducing the enormous fire waste in this country. The last available records show the loss from fire in one year amounted to more than five hundred seventy million dollars, much of which was the result of carelessness.

Fire Prevention Week is now! Boost it! But every day throughout the entire year take advantage of your position as a fire insurance representative to show your clients and prospects how to reduce their fire hazards. Show them that uncontrolled fire has no best side. It is destructive and merciless. The sentimental value of some possessions can never be replaced.

But the financial value may be protected.

Fire Insurance is the only way to safeguard against the loss that fire can bring. It keeps the dollars and cents value of the property from disappearing with the flames.

While the fire fighters of this country continue in their daily battle against fire, do your part to impress the necessity for precaution on the minds of your fellow citizens. Fire Prevention is an economic necessity—start it going in your town.

The FRANKLIN FIRE INSURANCE COMPANY
of Philadelphia
Organized 1829



"Want of care does us more damage than want of knowledge"—Franklin

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

TAX INCREASE RECOMMENDED

West Virginia Legislative Committee Would Boost Levy on Premiums—Special Session Unlikely

CHARLESTON, W. VA., Oct. 5.—An increase of $\frac{1}{2}$ of 1 percent on the present tax on insurance premiums is proposed by the special legislative committee appointed by the last session of the general assembly to find ways and means of completing the new state capitol building. The estimate is that this would yield \$300,000. Another tax proposed is $\frac{1}{4}$ of 1 percent increase in the tax on public utilities. Railroads and insurance companies seem in the opinion of this committee, which is of course composed of politicians interested in votes, to be the only source of taxation that will not anger the voters next year.

The committee was in session at the state house for two days.

The attorney general has been directed to draw a bill to meet the views adopted by the committee. It is for Governor Gore to determine whether there is an emergency suggesting a call for an extra session. If he does not so declare the matter will not come up until January, 1929. It is freely predicted, knowing the past performances of the governor, that there will be no extra session. The coming political year does not invite special sessions of the legislature.

In the last legislature there were some men engaged in insurance, and undoubtedly there will be some in the new legislature of 1929.

Busy Week for Ohio Field Men

COLUMBUS, O., Oct. 5.—This has been a busy week for Ohio field men. It is estimated that 200 gathered in Columbus for an inspection Wednesday and Thursday under the auspices of the Ohio Fire Prevention Association. The inspection was a thorough one, many business plants being inspected in addition to the schools. The schools were visited by Harry K. Rogers, the "fire clown," who entertained the children and also impressed upon them how they can aid in the movement to prevent fires. R. E. Vernor of Chicago started the ball rolling with an address before the forum of the Columbus Chamber of Commerce and among speakers before other civic organizations were John R. Gray, J. P. Hershberger and W. J. Gilsdorf. The two field clubs also held their meetings Tuesday.

Sanders With Henry Agency

Cameron H. Sanders has become vice-president of the Henry Insurance Agency of Cincinnati. Mr. Sanders, who was formerly secretary of the American Liability, has almost completely recovered from the effects of the injuries suffered in an accident last year. He will devote his time in the Henry agency largely to the development of automobile business, a type of business in which the Henry agency has specialized and built up an unusual large clientele.

Markel Joins Earls-Blain Agency

H. R. Markel, for 26 years employed by Marsh & McLennan, has resigned his position at Columbus, O., to become associated with George Gano, engineer of the Earls-Blain agency in Cincinnati, in undertaking engineering development work for that agency. Mr. Markel has proved himself a successful fire insurance engineer and will be of distinct value to the Earls-Blain agency as well as an asset to Cincinnati insurance circles.

The West Jefferson, O., Agency Company has moved into the Madison Press Building at that place.

DEMAND CREATED ELSEWHERE

Ruling of the Ohio Insurance Department on Riot Indemnity Has Excited Outside Interest

Even though the Ohio insurance department debarred companies from writing strike, riot and civil commotion insurance they continued writing collision insurance in the state. The very fact that the Ohio department issued this order has called attention to this insurance in other states and enabled companies to close several lines. The Ohio department is now asking for premiums and losses on riot and civil commotion insurance for 1925 and 1926. The property owners in outside states got the impression that the Ohio department considered this a very hazardous line of business and unsafe. This seemingly created a demand for it from several quarters.

Heavy Auto Toll

During the past year nine Ohio field men have been injured in automobile accidents, some of them very seriously. E. A. Winter, state agent of the National Liberty, the latest victim, is improving rapidly, but will be unable to get back on the road for several weeks.

Confesses to Arson

WHEELING, W. VA., Oct. 5.—Martin Dado of Flushing, O., who recently collected \$7,000 insurance on the destruction of his home by fire, was arrested this week and charged with arson, signing a confession that he burned his own home for the insurance money. At the time of the fire it was stated that robbers had started the fire.

Surveying Tornado Lines

At least one of the fire companies in Ohio is making a survey in its local agencies of its fire and tornado business on unprotected dwellings. The company is calling upon its agents to clear the

books as far as possible of policies covering against tornado only on this class of risks. It is said that the companies have been called upon to pay too many losses really due to fire on policies written at tornado rate.

Ohio Agency Changes

Recent changes in Ohio fire insurance agencies include: Troy, James W. Davis and Harry M. Tamplin agencies merged under the name of Davis & Templin; Marion, Joseph Smith agency sold to Carl J. Watrous; Sandusky, L. E. Scheid agency sold to Henry C. Reutler; Shelby, Will & Knapp agency transferred to James V. Will and Frank J. Klotz. Name will continue as Will & Knapp.

Association Plans Luncheon

CINCINNATI, O., Oct. 5.—The first luncheon meeting of the Cincinnati Fire Underwriters' Association will be held at the Hotel Gibson Thursday, Oct. 13. Earl Wagner, William Stedelman, Carl Kieve, W. S. Hukill, members of the governing committee of the association, and Joseph Schewe, secretary, are the official delegates of the organization to the New Orleans convention. John W. Fidler also expects to attend the convention.

Ohio Notes

J. E. Grubb, for the past four years safety engineer for the Hartford in Minneapolis, has been transferred to the Cincinnati office of A. W. Shell & Co. and will assist Townsend Blanchard, safety engineer in that office.

Ernest Corry of London, O., has announced the sale of his agency to Robert Chaney, formerly of the Madison National Bank. Mr. Corry represented the Ohio Farmers and other companies. Miss Virginia Webb of Springfield will become associated with the agency.

The Shuer-Pettner Iron & Steel Co. yards and warehouses at Toledo were destroyed by fire this week with a loss of \$35,000. There were fears of a conflagration as the fire raged near the gas tanks of the Toledo-Edison Company. There is a belief that the fire was incendiary.

Fire marshals are investigating a fire which occurred in the Strayer block in De Graff, O., a few days ago. W. D. Strayer, owner of the building, charges incendiaryism. It is said that the night watchman found lights extinguished and fire equipment tampered with before the fire broke out. The stock of the Kumer Hardware Company was badly damaged in the fire.

CENTRAL WESTERN STATES

HOLD MEETINGS ON BALANCES

New Rule Regarded as Success and Special Sessions Will Consider Delinquent Cases

The Illinois Field Club held its quarterly meeting last week at Peoria. There was an exceptionally large attendance and a lively discussion of all topics.

The principal discussion centered around the operating of the delinquent balance rule. The general opinion was that the balance rule, so far, has been the means of correcting some notoriously bad cases and is a great success. It has also been the means of eliminating a great many bad agencies.

It was decided that the membership of the Illinois Field Club have meetings in October, November and December to handle delinquent agency cases. The first meeting was scheduled to be held Oct. 11.

The selection by the executive committee of Mrs. Irene Alexander to succeed Miss Florence E. Cain as secretary was ratified.

REPORT ON BLOOMINGTON BY NATIONAL BOARD

The engineers for the National Board in making an inspection of Bloomington, Ill., find that the gross fire loss for 1922-6 inclusive was \$497,457. The average annual number of fires per thousand population was 6.5 a very high figure and the average loss per capita was \$3.32, a moderate figure. The engineers say that the water supply is adequate but contains some unreliable features. There is fair to good quantity available in the principal mercantile districts. It is not so good elsewhere. The fire department is only fairly well equipped and the companies are undermanned. The fire alarm system is inadequate. Regarding the conflagration hazard the engineers say that the construction in the principal mercantile districts is weak and serious fires are probable in most blocks. These might readily involve an entire block. As the fire fighting facilities are inadequate a fire might extend to a considerable portion of the district. Minor mercantile and manufacturing districts are subject to the probability of serious individual and group fires. The hazard in the residential section is abated by incombustible roof covering, but unfavorably affected by an inadequate water supply.

Question on Rural Fire Protection

KALAMAZOO, MICH., Oct. 4.—Residents of Kalamazoo township outside the corporate limits must petition, in accordance with the state law, for fire protection before the township board will take any action along this line, it was indi-

cated at a meeting last week. Fire protection for the township has been a moot question for some time ever since the city refused to extend its facilities without specific contracts with township industries. A recent inquiry by the board brought the opinion from the attorney general's office that not more than \$6,000 may be expended in a single year by a township for fire fighting equipment and only \$1,000 for maintenance. This amount, it was agreed, would be inadequate in the local case as a regular full-time service is wanted. There has been considerable sentiment for annexation which would assure the city's protection, but it appears that no unanimity of opinion can be obtained in this matter. Until some action is taken, however, it is conceded that the township property embodies unusual hazards.

Newberger Names Committee

Following the suggestion of the National Association of Insurance Agents that each state association appoint an automobile committee, President Newberger of the Illinois body has named an automobile committee as follows: Rockwood Hosmer, chairman, Chicago; J. K. Walker, Chicago; H. H. Cleaveland, Rock Island; R. W. Troxwell, Springfield; Lewis Shade, Decatur; Joseph A. Giberson, Alton; Lathrop Ward, Jacksonville.

Zimmer Speaks at Elgin

H. M. Zimmer, state agent of the Home, who is vice-president of the Illinois Fire Prevention Association, will deliver an address before the Kiwanis Club at Elgin, Ill., Oct. 11.

Issues "Rural Fire Number"

Farm fire prevention is coming into its own in the columns of the leading farm journals of the country. The most striking example of this is to be found in the case of the "Hoosier Farmer," published at Indianapolis by the Indiana Farm Bureau Federation, with a claimed circulation of 50,000, which has just issued a "rural fire number." In addition to telling of the federation's campaign against fire and of the more than 70 rural fire troops organized throughout the state, special attention is called to the equipment and precautions necessary to reducing rural fire losses, while the matter is dealt with in a number of signed articles and also editorially.

Forry Back from Europe

INDIANAPOLIS, Oct. 4.—Edwin H. Forry, vice-president of the Farmers Trust Company of Indianapolis and manager of the insurance department, returned from Europe last week. Mr. Forry was in London when the side of the Commercial Union building fell out, creating considerable excitement. He said it was difficult for the people of London to understand how such a building could fall, as its construction was of unusual solidity. Mr. Forry had called on the company's general manager, Joseph Powell, the day before the accident and there was no indication of impairment at that time.

When he went back to see the damage he told the insurance men that they could get some idea from the wreckage of what happens in America when a windstorm blows down whole blocks of buildings. It was fortunate that the accident happened at night, he said, because this is a point of heavy traffic during the day. The Bank of England, now being rebuilt, is about 400 feet away and the Royal Exchange is across the street from the Commercial Union building.

Indiana Convention Plans

Joseph G. Stickney, president of the Indiana Association of Insurance Agents, has announced tentative plans for the annual meeting of the association to be held in Indianapolis Nov. 7-8. The plans call for a meeting of the executive committee and advisory counsel at 10 a. m. the first day. This meeting will continue through a luncheon, after which the first regular convention session will open at 2 o'clock.

The annual convention banquet will be held at 6:30 p. m., while a departure from former programs will be inaugurated when a breakfast and meeting will

LOYAL TO PRINCIPLE, AND TO LOYAL AGENTS, LOYAL

NEAL BASSETT, President

A. H. HASSINGER, Vice President and Secretary

JOHN KAY, Vice President and Treasurer

WELLS T. BASSETT, Vice President and Secretary

JANUARY 1ST, 1927, STATEMENTS

ORGANIZED 1855 FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ASSETS	LIABILITIES	CAPITAL	NET SURPLUS	SURPLUS POLICYHOLDERS
\$27,602,649.57	\$17,796,927.66	\$5,000,000.00	\$4,805,721.91	\$9,805,721.91

ORGANIZED 1853 THE GIRARD F. & M. INSURANCE CO. OF PHILADELPHIA, PA.

\$5,648,862.17	\$2,938,563.59	\$1,000,000.00	\$1,710,298.58	\$2,710,298.58
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ORGANIZED 1854 MECHANICS INSURANCE CO. OF PHILADELPHIA, PA.

\$4,452,703.00	\$2,748,734.22	\$600,000.00	\$1,103,968.78	\$1,703,968.78
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ORGANIZED 1866 NATIONAL-BEN FRANKLIN FIRE INS. CO. OF PITTSBURGH, PA.

\$4,725,350.94	\$2,702,814.94	\$1,000,000.00	\$1,022,536.00	\$2,022,536.00
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ORGANIZED 1871 SUPERIOR FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$4,600,981.46	\$2,598,996.65	\$1,000,000.00	\$1,001,984.81	\$2,001,984.81
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ORGANIZED 1870 CONCORDIA FIRE INSURANCE CO. OF MILWAUKEE, WIS.

\$5,261,240.09	\$2,942,034.49	\$1,000,000.00	\$1,319,205.60	\$2,319,205.60
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ORGANIZED 1886 CAPITAL FIRE INSURANCE CO. OF CONCORD, N. H.

\$724,764.95	\$733.34	\$300,000.00	\$424,031.61	\$724,031.61
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TOTAL ASSETS
\$53,016,552.18

TOTAL LIABILITIES
\$31,728,804.89

TOTAL NET PREMIUMS
\$25,001,307.09

PHILADELPHIA, PA.
CHICAGO, ILLINOIS
Western Department
844 Rush Street
H. A. CLARK, Manager

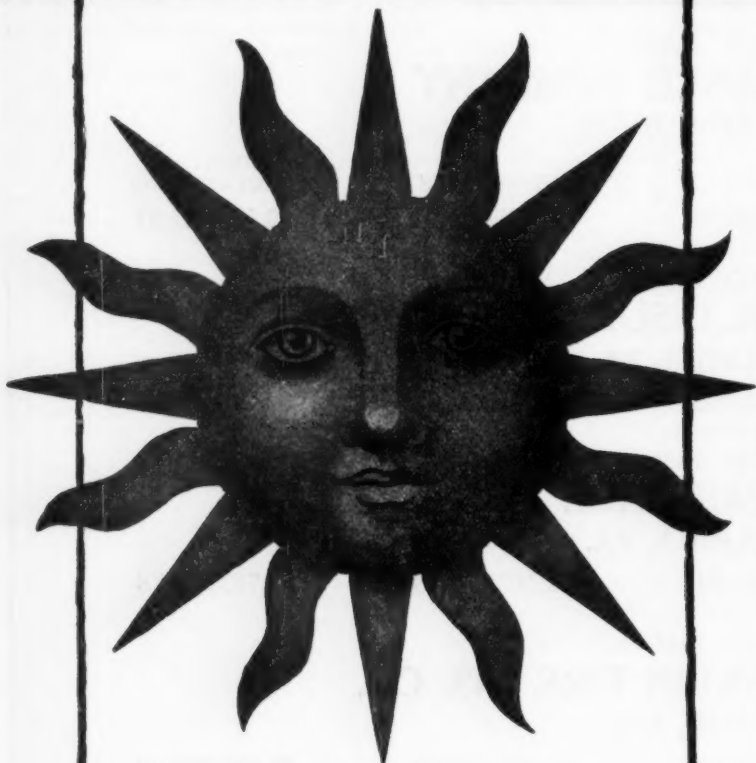
HOME OFFICES
NEWARK, NEW JERSEY
CONCORD, N. H. MILWAUKEE, WIS.
DEPARTMENT OFFICES

PITTSBURGH, PA.
SAN FRANCISCO, CAL.
Pacific Department
60 Sansome Street
W. W. & E. G. POTTER, Managers

LOYAL TO PRINCIPLE, AND TO LOYAL AGENTS, LOYAL

Insurance is as old as the Sun

Keep your face toward the Sun
And the Shadows will fall behind you



Established in 1710

The Oldest Insurance Company
in the World

Coverages Effectuated

FIRE—RIOT AND CIVIL COMMO-TION—USE AND OCCUPANCY—RENTS AND RENTAL VALUE—LEASEHOLD—LIGHTNING—INLAND MARINE—OCEAN MARINE—TOURIST FLOATER—SALESMEN'S FLOATER—WINDSTORM—YACHT AND MOTOR BOAT—ALL RISK PERSONAL JEWELRY—ALL RISK PERSONAL FURS—ALL RISK TOURIST FLOATERS—JEWELER'S BLOCK POLICIES—AUTOMOBILE—EXPLOSION—PUBLIC LIABILITY—MERCHANDISE IN TRANSIT, via Truck, Rail or Steamer (Annual or Trip Policies)

AUTOMOBILE FULL COVERAGE

Including Public Liability Issued in One Joint Policy of

SUN INSURANCE OFFICE and
SUN INDEMNITY COMPANY

SUN INSURANCE OFFICE Limited
of London

The Patriotic Insurance Co.
The Sun Indemnity Co.

United States Branch
55 Fifth Ave., New York
Preston T. Kelsey, U. S. Mgr.

Western Department
Wrigley Bldg., Chicago
John F. Stafford, Mgr.

Pacific Department
San Francisco
C. A. Henry, General Agent

Marine Department
11 S. William St., New York
Wm. H. McGee & Co.
General Agents

Sun Indemnity Co.
55 Fifth Ave., New York
F. I. P. Callos, President

be held at 8 a. m. of the second day for association members only. It is planned that all association business be transacted at this breakfast meeting, including the election of officers. This will free the regular sessions for the educational addresses that will have place on the program.

Blue Goose Roundup Meeting

The Indiana Blue Goose will hold a "round-up" meeting on Monday evening, Oct. 17. In addition to the initiation of a flock of goslings announcement will be made as to the winners in the golf tournament to be held Oct. 10 and the prizes and trophies will be presented. Most Loyal Gander Homer G. Meek says that he will also announce his standing committees at that time. Alexander R. Monroe and Arthur W. Lewis will represent the Indiana pond as delegates to the meeting of the grand nest at Dallas. The Indiana pond now has nearly 150 members and special efforts are being made to bring in all eligibles.

Probe Fires Near Marshall, Mich

LANSING, MICH., Oct. 4.—Investigation of a number of mysterious fires in or near Marshall, Calhoun county seat, has been conducted during the past week by the state fire marshal's division. Report on the discoveries made by the division's operative has not yet been made, however, as the probe is being continued. The apparent lack of natural explanation for any of the fires led the local authorities to believe that they were all of the same origin and that a pyromaniac appeared to be at work in the community. Quick work in suppressing the various blazes prevented any very large losses, but one \$30,000 loss was sustained on a farm near Marshall. There was a growing fear, however, that unless the situation could be solved and the probable "firebug" apprehended a really serious fire might result.

South Haven Is Inspected

SOUTH HAVEN, MICH., Oct. 4.—A city-wide inspection conducted here recently by the Michigan Fire Prevention Association failed to disclose any very serious fire hazards, according to some of the association members. Faulty wiring was the chief criticism of the inspectors who visited the business, industrial and public buildings. Property owners will be prevailed upon to clean up the hazards

arising from bad wiring and it is possible that the municipal authorities will be urged to tighten up on wiring requirements.

Three Stove Works Burn

Last week three stove works fires occurred in Illinois, all in towns not far separated one from another. The Auto Stove Works at New Athens is reported to have developed a 75 percent loss. The plant of the Baker Stove Works at Belleville burned with a loss reported at from 35 to 30 percent and a loss of about the same proportions resulted from the blaze at the Excelsior Stove Works at Quincy. About a month ago the plant of the Anchor Stove & Range Company at New Albany, Ind., burned.

Chicago underwriters report that no report of labor or other trouble in the stove making industry has been reported and are at a loss to know whether the three burnings within a week were more than merely coincidental.

Inspect New Albany

NEW ALBANY, IND., Oct. 5.—An inspection of New Albany was made last week by representatives of the Indiana Inspection Bureau and a report has been made calling attention to the weak fire protection facilities which, unless improved, will necessitate a reclassification and an increase in rates. The inspection was made following the disastrous \$300,000 fire of ten days ago. It is reported that there is insufficient water pressure, the fire department is undermanned and there is an inadequate building ordinance. The board of directors of the chamber of commerce has appointed a special committee to investigate the situation.

Indiana Notes

Joseph A. Wicker, for the past two years manager of the casualty department of the Indianapolis branch of Marsh & McLennan, has resigned to practice law.

The annual golf tournament of the Indiana Blue Goose will be held at the Meridian Hills Country Club Oct. 10. Since the first announcement the place has been changed from the Pleasant Run course.

Illinois Notes

The Fidelity American of Houston, Tex., has been licensed in Illinois for fire and allied lines. It has \$200,000 capital.

STATES OF THE NORTHWEST

WISCONSIN DAY PROGRAM OUT

Notable List of Speakers Announced
for Second Observance to Be
Held at Milwaukee Oct. 26

MILWAUKEE, Oct. 5.—The program for Wisconsin Insurance Day here Oct. 26 has been completed. The last speaker to be secured was Clarence W. Hobbs, former Massachusetts commissioner and now official representative of the Insurance Commissioners' Convention on the National Council on Workmen's Compensation Insurance. Mr. Hobbs will be the principal speaker at the banquet in the evening.

Commissioner Milton A. Freedy of Wisconsin will open the program at 9:30 a. m. with an address of welcome. He will be followed by J. W. Longnecker, advertising manager for the Hartford Fire, who will speak on insurance advertising.

Darby A. Day, general agent for the Union Central Life, Chicago, will represent the life insurance business on the program, following Mr. Longnecker, speaking on the vastness of life insurance. H. P. Janisch, Chicago, manager of the American Mutual Alliance, will represent the mutual interests and will discuss legislative and legal aspects of the insurance business.

The afternoon session will open with a talk by W. L. Mooney, vice-president of the Aetna Life and allied companies, Hartford, who will speak for the casualty insurance division. Automobile and compensation insurance problems will be taken up by Mr. Mooney. The fraternal will be represented by E. J.

Dunn, Chicago, president of the Loyal American Life Association and vice-president of the National Fraternal Congress. Richard E. Vernor, manager of the fire prevention department of the Western Actuarial Bureau, Chicago, will close the afternoon program with an address on fire prevention.

The banquet will start at 6:30. Charles H. Burras, Chicago, president of Joyce & Co., is to be the toastmaster. In addition to Mr. Hobbs, speakers at the banquet will include Frank M. Chandler, Chicago, vice-president of the New York Indemnity and father of the Insurance Day idea, and J. Adam Bede, former congressman from Minnesota, well known as a humorist, on the program. Entertainment of a high quality will be presented during the banquet and dancing will follow the speaking program.

The committees working on Insurance Day anticipate an attendance of more than 500 agents and representatives of all divisions of the insurance business. Many of the large agencies in Milwaukee and out of the city are preparing to have their principal policyholders as their guests at the banquet, to acquaint them with different phases of the business and what insurance really means in relation to all business and commercial activity.

Olsness Urges Fire Prevention

BISMARCK, N. D., Oct. 4.—Pointing out that "an ounce of prevention is worth a ton of ashes," Commissioner Olsness has called on all North Dakota citizens to observe Oct. 9-15 as Fire Prevention Week. Mr. Olsness pointed out that if the fire hazard were cut in half North Dakota business would be relieved

of one of its heaviest overhead items. The cost of fire insurance depends wholly on the loss experience and the installation of fire prevention measures and rules.

In most cases it would be money in their pockets, Mr. Olsness said, if owners of private property and custodians of public property would make thorough inspections with a view to reducing the fire hazards.

Fires Show Gasoline Hazard

MILWAUKEE, Oct. 4.—Two serious fires in the state recently have again brought out the necessity for handling gasoline with utmost precaution and have caused several cities in the state to contemplate passing ordinances which will prohibit the location of distributing oil tanks within the city limits.

The fires were at Elkhorn and Watertown and they caused total loss on contents, tanks and automobile trucks. Both started as the result of filling automobile trucks in close proximity to the gasoline tanks at distributing stations. An incombustible roof was all that saved the Elkhorn pumping station from complete destruction.

Madison and Burlington are two cities which have already passed prohibiting ordinances against the location of gasoline distributing tanks in the city limits and there are several others contemplating such action. The industrial commission is supporting the movement.

Radio Men Must Study Code

MILWAUKEE, Oct. 4.—That the hazard to dwelling houses which is brought about by radios may be reduced as much as possible, all service men who install and repair radios in Wisconsin must know the underwriters' code for Wisconsin absolutely before they can get a job, under a new ruling of the Wisconsin Radio Trades Association, which is composed of most of the jobbers and dealers handling radios in the state.

The association has felt for a long time that only service men who are absolutely qualified should install radio receiving sets and to this end it has formulated an examination which includes the necessity for knowing the underwriters' code. The association has announced that it wishes to cooperate to the utmost with the insurance companies and bureaus in order to eliminate whatever hazards there may be due to the radio.

Mutuals Not Included

MADISON, WIS., Oct. 5.—It was recently reported that the Reitan-Lerdahl agency of this city, a mutual local agency, would participate in the insurance placed by the local school board. This report was in error, as the board of education has placed the entire insurance with the stock companies.

Plan Inspection Aid

A plan for the making of inspections by deputy fire marshals in cooperation with the chiefs of local fire departments is being worked out by Fire Marshal Don C. Lewis of South Dakota.

Opens New Local Agency

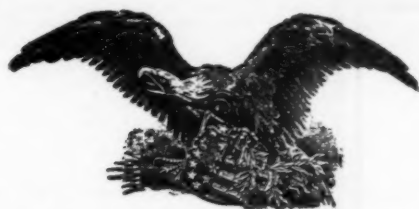
BELOIT, WIS., Oct. 5.—Holden P. Bort, formerly an adjuster for Tolles, Bort, Nurnberg of Milwaukee and later associated with Lee W. Bort, Inc., adjusters of Beloit, announces that he is leaving the adjusting field to engage in local agency work at Beloit. Mr. Bort has entered in partnership with W. H. Gleasman, Jr., and the new agency will be known as Gleasman & Bort.

Beloit Local Board Incorporates

The local board at Beloit, Wis., has been incorporated under the name of the Insurance Underwriters' Association of Beloit, giving as its purpose the promotion of harmony and correct practices in the business of fire, casualty and life underwriting. It is listed as a non-stock corporation and the incorporators are William J. Tucker, C. F. Kindschi, F. L. Kile, Will F. Bamhile and Maurice J. McDonald.

Have Special Car to New Orleans

MILWAUKEE, Oct. 5.—Milwaukee local agents have arranged for a special car to take them to the national convention at New Orleans. They will leave here Oct. 16, headed by Fred J. Lewis, president of the Milwaukee Board. Those making the trip are: William Lynch, Blatz-Kasten Co.; Harold Smith, Otto A. Braun, Robert Pittelkow, Theodore Ernst, Henry Eckstein of C. F. Hibbard



AMERICAN NATIONAL FIRE INSURANCE COMPANY

8 East Long Street

COLUMBUS, OHIO

Capital \$500,000

CHARLES G. SMITH, President
JESSE E. WHITE, Vice-President
JOHN A. BERRY, Vice-Pres. and Secy
GEORGE E. KIRCH, Secretary
ALLEN W. FLEMING and E. PHILIP GUSTAFSON, Assistant Secretaries

Progressive, Yet Conservative

Its Name Indicates Its Character

Operating Along Sound Lines



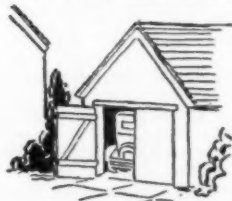
Take the Hubbards new cottage for example



HE INTERVIEWED HUBBARD



FIRE AND WINDSTORM ON THE CONTENTS.....



THE SAME COVERAGE ON THE GARAGE.....

Hubbard, the star salesman for the local branch of the Regal Type-writer Company, has just built a cottage out at Evergreen Heights.

The Hartford agent, ever watchful of building permits, realized that this was an excellent time to help this new home owner protect his investment and avoid many an unnecessary risk.

He interviewed Hubbard, was promised the business and eventually wrote fire, windstorm, rent and hail insurance on the \$12,000 residence, fire and windstorm insurance on the contents (valued at \$4,000), and the same coverages on the garage, valued at \$700.

For all of this protection, plus public and employers' liability and burglary insurance, Hubbard pays exactly seventeen cents a day—slightly more than the cost of one ice-cream soda.

There are hundreds of thousands of "Hubbards" in America and thousands of agents who appreciate that the reputation and national popularity of the good old Hartford makes it easy for them to talk to and do business with home owners.



PLUS PUBLIC AND EMPLOYER'S LIABILITY.....



FOR SLIGHTLY MORE THAN THE COST OF ONE ICE CREAM SODA.....



HARTFORD FIRE INSURANCE COMPANY, HARTFORD, CONNECTICUT



TO INSURANCE AGENTS AND BROKERS:

WE ARE MAKING APPRAISALS OF INDUSTRIAL ESTABLISHMENTS THAT YOU CAN USE WITH CONFIDENCE FOR THE PLACEMENT AND ADJUSTMENT OF FIRE INSURANCE. THESE APPRAISALS ARE BASED UPON A DETAILED INSPECTION AND INVENTORY MADE BY TRAINED ENGINEERS. COSTS TO REPRODUCE NEW, COSTS TO REPRODUCE NEW LESS DEPRECIATION AND INSURABLE VALUES ARE SHOWN. CLASSIFICATIONS CONFORM TO INSURANCE RIDER FORMS. WE DESIGN PLANTS, WE BUILD PLANTS, WE MANAGE PLANTS. OUR APPRAISALS ARE MADE, THEREFORE, FROM FIRST HAND INFORMATION. ASK US ABOUT THEM.

Ford, Bacon & Davis Incorporated Engineers

115 BROADWAY NEW YORK
PHILADELPHIA CHICAGO SAN FRANCISCO NEW ORLEANS

STANDARD INSURANCE COMPANY OF NEW YORK

Head Office: 45 John Street, New York

J. A. KELSEY, President G. Z. DAY, Vice-Pres. and Secretary

Statement December 31, 1926

CAPITAL	\$1,000,000.00
PREMIUM RESERVE	845,608.17
OTHER LIABILITIES	136,565.00
NET SURPLUS	1,453,736.59
TOTAL ASSETS	3,435,909.76

Chicago Branch: 175 West Jackson Blvd.

Barton F. Walker
Manager Brokerage Dept.

Co.; Carl Dietz, Martin Wilde, John Wire-sum of Evans & Son; Mrs. W. A. Dunn, L. C. Hilgemann of Leedom, Miller & Noyes, Theodore Richter, John F. Schneider and Miss Schneider.

Mr. and Mrs. William Pfleger, W. B. Calhoun and Walter T. Greene leave a week earlier than the rest of the party as they have a boat trip planned prior to the convention, which will take them to Havana and Spanish Honduras.

Study Madison Recommendations

MADISON, WIS., Oct. 5.—The per capita fire loss for this city in 1925 amounted to \$5.21 according to L. A. Smith, superintendent of the city water department. He said that the large per capita loss was a severe indictment of the city. The council has approved the resolution authorizing the organization of a fire prevention committee to study the recommendations of the National Board, to be reported by its engineers next month.

Storm Loss in Wisconsin

RICHLAND CENTER, WIS., Oct. 4.—A near tornado hit the southern end of Richland county last week and destroyed barns, ruined corn crops, blew down telephone and telegraph wires and wrecked store windows in Richland Center. The wind did more damage in the rural sections where it literally blew the barns to pieces and laid corn flat. The storm lasted about an hour.

Minnesota Notes

The plant of the Massey Concrete Products Company of Minneapolis was

virtually destroyed by fire last week. The plant of the Arrowhead Field Product Company adjoining was badly damaged. The total loss was estimated in excess of \$100,000. This was one of the most serious fires of the year in Minneapolis.

Damage estimated at \$75,000 was caused by a fire which swept through three retail concerns in the loop district on Third Avenue South between Marquette and Nicollet avenues, Minneapolis, last Thursday morning. An explosion is said to have started the fire. The principal losers were the Minneapolis Linoleum Company, \$10,000; Storage Furniture Company, \$20,000, and Bennett & Little, hat manufacturers, \$25,000. Loss on the building was estimated at \$20,000. Considerable smoke damage was caused to the stock of the Model Clothing Company.

Wisconsin Notes

The insurance agency of the First National Bank at Rice Lake, Wis., has been consolidated with the Sims Agency, giving the latter the largest local agency in the city. The Sims agency has moved to new headquarters in the rear office of the bank building.

One of the most disastrous fires Wau-pun, Wis., has had in recent years occurred last week when the plant of the Vogue Hosiery Company was burned, causing a heavy damage to the three-story building, equipment and stock. The loss was covered by insurance.

Cap E. Rasmussen, one of the old-time local agents in Wisconsin, well known among the older field men who traveled the state, died suddenly at Rice Lake, Wis., last week. Mr. Rasmussen operated an agency at Rice Lake for many years, but later retired from business.

IN THE MISSOURI VALLEY

H. C. ASEL ADDRESSES AGENTS

Chief Clerk of Missouri Insurance Department Tells Convention of Last Year's Work

Henry C. Asel, chief clerk of the Missouri insurance department, made a brief talk before the meeting of the Missouri Association of Insurance Agents on Monday of this week. He reviewed the operations of the department during the year, stressing the fact that the department has weeded out hundreds of undesirable agents and curbstone brokers. He said the ruling that a duplicate broker's license must be filed with the agency accepting a broker's business has caused some complaint from those who thought that the ruling was a revenue measure.

"Superintendent Ben Hyde's ruling in regard to the classification of fleet automobiles for rating purposes," he said, "has caused some criticism, but has been supported by the majority of companies and agents as being beneficial to the business. The department is not eager to issue rulings affecting the purely underwriting features of the insurance procedure. However, certain abuses of the use of the fleet classification were reported to the department, and on investigation it was found to be of such serious nature, that such ruling was promulgated."

Mr. Asel concluded by saying that two new burdens were put on the department during the last year. One of these is supervision of title insurance business, which is written by three companies in the state. The other arises out of enactment of the workmen's compensation law. "This new law," he said, "has added quite a volume to the work of the department. It provides for the approval of compensation rates and the assessing of taxes against self-insurers."

Florin Fire College Speaker

Judge J. E. Florin, superintendent of fire prevention for the industrial commission of Wisconsin, has been engaged for the second consecutive year to talk on fire prevention at the annual fire college conducted by the Iowa State College. Judge Florin was so well received last year that his appearance on the faculty again this year was demanded by those who have heard his message.

R. D. AIR ELECTED PRESIDENT

Kansas Fire Prevention Association Holds Annual Meeting at Manhattan and Inspects City

The annual meeting of the Kansas State Fire Prevention Association was held at Manhattan, Kan., last week. The meeting was preceded by a dinner and the following officers were elected for the year 1927-28: President, R. D. Air, Fidelity-Phenix, Kansas City, Mo.; vice-president, W. R. Kirk, Pennsylvania Fire, Topeka, Kan.; secretary-treasurer, V. E. Herbert, National Ben Franklin, Topeka, Kan.

The Fire Prevention Association also inspected Manhattan at the same time, 40 members being in attendance. W. L. Gardner addressed the pupils of the high school in the morning and in the afternoon pupils of all schools under the sixth grade were assembled at the high school auditorium to hear H. K. Rogers.

An evening meeting was held at which reports were made of the day's activities. Mr. Rogers again addressed those present, there being approximately 350 in attendance.

SEEK TO CHECK FARM FIRES

Iowa Fire Preventionists Concentrate Efforts in This Direction, Long Neglected

DES MOINES, IA., Oct. 5.—Iowa fire insurance interests are much concerned over rural losses. They contend that fire prevention through the elimination of fire hazards has not met with the response that it was believed would result through the efforts of the Iowa Fire Prevention Association in its campaign to make popular a more comprehensive inspection for defective flues on farm residences and a greater care in the removal of fire hazards.

While it is admitted that county mutual fire insurance companies have taken over the larger volume of rural business in recent years, nevertheless there is still a field worthy of the efforts of aggressive agents, and field men who are in touch with the situation contend that much of the lost business can be regained if proper inducements are offered. But the lack of interest in avert-

ing disastrous fires on the part of farmers has caused hesitancy among insurance men to make vigorous effort to secure rural business.

The state fire marshal, John W. Strohm, has laid particular stress in creating interest among country people in the proper observance of fire prevention week. The proclamation of Governor Hammill, urging the observance of the week, has been sent to every rural school in the state, through the county superintendents, together with flaming posters and much printed literature. The county press has been supplied with clip-sheets showing the necessity and the importance of the fire prevention campaign. Programs have been provided that will enable schools, farm meetings and country clubs to give public entertainments featuring the state wide movement. Rural communities have been urged to organize inspection groups in order that fire hazards may be pointed out and their abatement secured.

HOFFMAN HEADS ASSOCIATION

Missouri Fire Preventionists in Annual Session at St. Joseph Hear of Year's Work

KANSAS CITY, MO., Oct. 5.—The Missouri Fire Prevention Association held its annual meeting in St. Joseph last week with President Firman B. White in the chair. In reviewing the work for the year, Mr. White made a plea for greater cooperation on the part of the field men in the work of town inspections, in order to make the work of the association really vital. J. Elmer Ball, chairman of the ordinance committee, reviewed the progress made in the towns inspected by the association since its organization toward having model ordinances passed.

M. I. Parker of the Missouri Inspection Bureau spoke on "Municipal Protection in Missouri," and stated that

good progress in this line had been made.

Nat Spencer, secretary of the Citizens' League of Kansas City, who was a guest, stated that the Citizens' League had taken up the program of fire prevention, and was using all its influence to help secure a fire marshal law in Missouri.

John Deiber, chairman of the fire waste contest committee, reported that of the 21 chambers of commerce in the state affiliated with the national chamber of commerce, 18 are entered in the contest, and told of the work that had been done by the individual members in starting fire prevention programs during Fire Prevention Week in these towns. The report of C. H. Mahn, chairman of the public buildings committee, showed that real results had been obtained by this committee in securing compliances especially in the case of school buildings. Mr. Mahn reported that they had secured 25 percent compliances.

J. Burr Taylor, secretary of the association, in his annual report, discussed the program of reinspection which the association followed this last year, and reviewed in detail the fire prevention work of the year.

Fred E. Hoffman, Jr., of Sedalia, was unanimously elected president of the association for the coming year. Mr. Hoffman has been vice-president during the past year. George Gordon of St. Louis, Citizens of Missouri, is the new vice-president. J. Burr Taylor of Kansas City was elected to succeed himself as secretary-treasurer.

At the dinner of the association with the Chamber of Commerce of St. Joseph, C. J. Doyle of Springfield, associate general counsel for the National Board, was the principal speaker.

Mayor Louis V. Stigall of St. Joseph addressed the field men briefly at the dinner. Mayor Stigall concluded his remarks by saying that what the public wants is not insurance against loss by fire but insurance against fire.

The executive committee selected El-

dorado Springs for inspection the last week in October or the first week in November.

The Missouri Fire Underwriters Association and the Missouri Field Club held meetings in St. Joseph last week in connection with the meeting of the Missouri Fire Prevention Association. Both associations had a large attendance and report very successful meetings.

The Missouri Fire Underwriters Association held its annual meeting and election of officers. Dwight R. Ford of Kansas City, was reelected president. T. H. Carlton, of Kansas City, was elected vice-president, and Otto A. Ramseyer, secretary. The Missouri Field Club held its semi-annual meeting under the direction of Robert L. Kimberly, president.

Plan Kansas City Inspection

KANSAS CITY, MO., Oct. 4.—A campaign to eliminate fire hazards in industrial establishments and business institutions is being planned by the Kansas City Safety Council for Fire Prevention Week. Every business and industrial house in the city will be inspected for fire hazards. Every owner and managing agent will be presented with special inspection blanks calling for inspection of all premises for fire hazards in exposed wires, trash and inflammable materials of all kinds. Captains and lieutenants will be appointed to canvass single blocks or larger territories.

Heart of America Blue Goose

KANSAS CITY, MO., Oct. 4.—The Heart of America Blue Goose held a business meeting and buffet supper on Monday night. Eight goslings were initiated. A discussion of the noonday luncheon plan took place and it was suggested that the thing to do to promote interest was to have good speakers at each meeting.

New Fire Prevention Textbook

TOPEKA, KAN., Oct. 4.—The new Kansas textbook on fire prevention to be used in the public schools of the state was issued this week by W. A. El-

stun, state fire marshal. The text was compiled by Miss Estelle Cooper, a teacher in the Topeka schools, and is to be distributed to every teacher in the state and used under the statutory requirement that fire prevention be taught in all the public schools.

The book comprises 44 pages in three parts. It furnishes texts for fire prevention work in the primary grades through songs, games and stories; in the upper grades through songs, exercises, stories and practical lessons in fire prevention and then provides a playlet, numerous actual instances of fire prevention work and explains the causes of many fires and shows how all of these may be prevented.

Sues for Accounting

LINCOLN, NEB., Oct. 4.—Bert S. Smith has filed suit for an accounting from John F. Zimmer, with whom he says he formed an insurance agency partnership, succeeding to the interest of F. F. Zimmer, in 1916. He alleges that under the terms of the agreement the profits were to be equally divided, save that Mr. Zimmer should have additional profits of the Capital Fire. He avers that Mr. Zimmer summarily terminated the partnership in July, taking all the books, and to date has failed to make an accounting. He says that the business is worth from \$75,000 to \$100,000.

Important Case Decided

DES MOINES, IA., Oct. 4.—A case of much interest to the insurance business was decided in the Iowa supreme court this week. The Hawkeye Securities Fire had written a fire insurance policy of \$2,500, covering the personal property of the Electric Bakery Company of Des Moines. A few months after the policy was written an assignment of the business of the concern was made to John E. Nelman, trustee of the Electric Bakery Company. Notice of this action was given to an agent of the insurance company and he promised that he would see to it that proper steps were taken to protect the policy. This agent had no authority to make any change in the policy because he was simply a solicitor for the Wilcox-Howell-Hopkins-Muloch agency.

Shortly after the transfer a fire de-

86TH YEAR



AD1841

CAMDEN FIRE

INSURANCE ASSOCIATION

CAMDEN, NEW JERSEY

January First, Nineteen Twenty-seven

CAPITAL STOCK	\$2,000,000 00
NET SURPLUS	2,547,189 60
Reserve for Unearned Premiums	5,182,197 70
Reserve for Losses in Process of Adjustment	964,052 00
Reserve for Taxes	150,000 00
Reserve for all other Claims	23,029 40
TOTAL ASSETS	\$10,866,468 70

Great American Insurance Company New York

Choose
Your
Company

Choose
Your
Company

INCORPORATED - 1872

STATEMENT JANUARY 1, 1927
CAPITAL

\$12,500,000.00

RESERVE FOR ALL OTHER LIABILITIES

23,110,445.67

NET SURPLUS

17,628,138.96

ASSETS

53,238,584.63

SURPLUS FOR THE PROTECTION OF POLICY HOLDERS

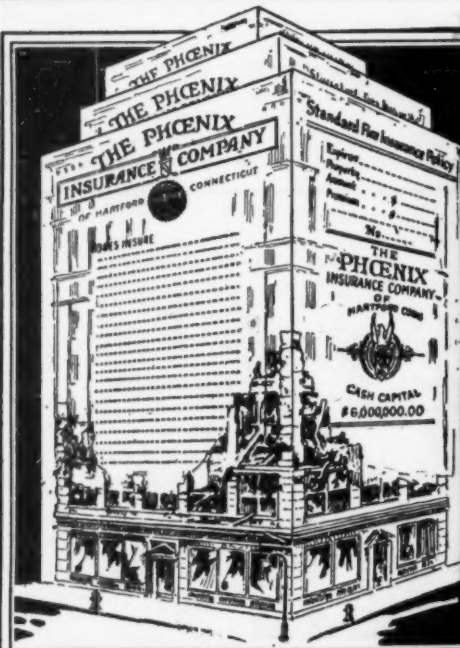
\$30,128,138.96

LOSSES PAID POLICY HOLDERS

\$185,174,967.15

WESTERN DEPARTMENT

310 South Michigan Avenue, CHICAGO, ILL.
C. R. STREET, Vice-President



"Time Tried
and
Fire Tested"

since 1854

The
Phoenix Insurance Company

of Hartford, Conn.

ROYAL EXCHANGE
ASSURANCE

THE STATE
ASSURANCE CO., LTD.

PROVIDENT FIRE INS. CO.
Fire and Automobile Lines

CAR AND GENERAL
INSURANCE CORPORATION, LTD.

Automobile, Liability and Plate Glass

95 Maiden Lane,

New York

stroyed the property and the insurance company refused to pay the amount of the policy. The case was taken into the Polk county district court, where judgment was rendered against the insurance company. An appeal was taken to the state supreme court, which has reversed the decision and upheld the company, recognizing the principle of law that the assignment of a policy without the consent of the insurer renders the policy absolutely void and that there is a distinction in the authority of fire insurance agents in this state.

Fire Prevention Week Plans

DES MOINES, Oct. 4.—Plans for the observance of Fire Prevention Week were completed at a meeting of the committee chairmen at the Chamber of Commerce. W. H. Zaiser is general chairman for the week. Inspection form blanks will be placed in all schools and children will be asked to take them to their parents to be filled out and returned. Speakers will also be obtained to address the civic clubs and schools.

Governor Hammill has issued a proclamation urging the fullest observance throughout the state. John W. Strohm, state fire marshal, urges the fullest co-operation of the people of the state in the proper observance of the event.

Blue Goose Holds Luncheon

DES MOINES, Oct. 5.—The first fall luncheon of the Blue Goose was held Monday. There was no set program, but Most Loyal Gander R. P. Osler called upon several members who made brief response. Gale Tillman, for some time an independent automobile adjuster and who now goes to Chicago with the Western Adjustment as director of its automobile adjustment department, was present and spoke briefly. George Newman gave some reminiscences of the business. Frank Nelson of the Western Adjustment told of the far reaching effects of a recent decision of the Iowa supreme court in which it was decreed that a verbal promise made by a broker or solicitor has no binding effect upon the insurance company with which he is affiliated.

Name Class 2 Committeemen

ST. LOUIS, Oct. 5.—Frank J. Alexander, William A. Federer, Joseph H. Toeniskoetter and Raymond J. Tombridge have been elected members of the executive committee of the Fire Underwriters Association of St. Louis to represent the Class 2 agents who are members of the organization. They will act for the Class 2 agents in determining the policies of the association. Their election was in accordance with amendments to the association's constitution and by-laws adopted several weeks ago. It is the first time in the history of the association that Class 2 agents have been on the executive committee.

The other members of the executive committee are: Charles M. Talbert, president; T. C. Case, vice-president; A. L. McCormack, secretary; C. J. Kehoe, treasurer, and L. E. Bright, Sam D. Capen, Cabell Gray, Thomas R. Collins, W. D. Hemenway, John R. Harkins, Joseph F. Hickey and A. H. Hitchings. After this year the executive committee will be composed of the four officers, four representatives of Class 1 agents and four Class 2 agents.

Nebraska Farm Committee

An active farm committee of ten members of the Nebraska State Fire Prevention has been appointed, with W. A. Bucklin as chairman. Plans for the year were outlined at a meeting of the committee a few days ago at Lincoln, as follows: To place farm inspection

blanks in each rural school district, to have published in the farm journals and local papers of the state the news releases and bulletins issued by the fire prevention department of the Western Actuarial Bureau, to have a few speakers at the larger cooperative meetings in Nebraska during the fall and winter months.

Meades Buy Drum Agency

TOPEKA, KAN., Oct. 4.—The Meade Investment Company has purchased the Harmon E. Drum agency and thereby becomes the largest insurance organization in Topeka and the third largest in Kansas. The probate court has approved the sale of the agency. H. E. Drum, one of the state's best known fire insurance men, died about a month ago following a short illness. He organized the agency ten years ago and had 90 agents outside Topeka. The Meade agency was organized in 1911 by C. E. Jordan. Then it became the Jordan-Trapp agency and later the Trapp-Meade agency and in 1924 Holmes and Lakin Meade secured the Trapp interests and control of the business, which has grown rapidly.

Kansas Losses Reduced

TOPEKA, KAN., Oct. 4.—Kansas fire losses for 1927 may be as much lower compared with 1926 as 1926 was with the losses of 1925. This is the view of W. A. Elstun, state fire marshal. The fire loss in 1926 was \$1,375,271 below that of 1925 and for the first nine months of this year the losses are \$1,000,000 below 1926. The state fire prevention association and the state fire marshal assert that more inquiries have been received this year for active participation in fire prevention week than ever before and it is believed that the week will be more generally observed and will reach more people than any previous campaign.

Nebraska Notes

Nebraska license has been granted to the Farm Mutual Auto, Bloomington, Ill.; United Mutual Fire of Boston, and the Western Fire of Fort Scott, Kan.

Loder-Coe, of Lincoln, has filed articles of incorporation with the Nebraska secretary of state. Its authorized capital stock is \$6,000. It will do a general brokerage business in insurance and loans.

O. E. Hofund and his brother, Charles E. Hofund of Lincoln, Neb., have purchased the insurance business of Walter W. Smith at Hawarden, Ia. Mr. Hofund for some time was with the Sioux National Bank, Sioux City, but in recent years has made his home in Lincoln.

Articles of incorporation have been filed with the Nebraska secretary of state by the Bohman-Walt Union General Agency of Omaha, with an authorized capital of \$25,000. The names attached are those of Fred E. Walt, head of the Union Fire of Lincoln, Ernest F. Walt and George E. Bohman.

A loss of \$100,000, with insurance coverage reported to be but a few thousand dollars, was occasioned by a fire of unknown origin that entirely destroyed the plant of the Golden Rod pump factory at Hastings, Neb. Finished goods to the value of \$30,000 and machinery constituted the bulk of the loss. The factory was owned by Fred I. Jaden, who was out of the city at the time. The fire was discovered by a watchman too late to save but a small warehouse and a small office building.

Missouri Valley Notes

Morton T. Jones of R. B. Jones & Sons, Kansas City, Mo., is spending some time in Vancouver on a vacation and rest. Mr. Jones' family accompanied him.

The Topeka office of the Western Adjustment, of which P. W. Zimmerman is manager, has been moved to larger quarters at 212 Insurance Building.

STATES OF THE SOUTHWEST

OKLAHOMA PROGRAM GIVEN

Tentative Schedule for Annual Meeting
of Agents' Association Is
Announced

TULSA, OKLA., Oct. 5.—The tentative program for the annual convention of the Oklahoma Association of Insurers, to be held here Oct. 11-12, has been announced by Harry Carlin of Oklahoma City, president of the association.

The convention headquarters will be at the Hotel Mayo. The program is as follows:

Greetings, Ray Slegfried, president, Tulsa Board.
Response, M. E. Williams, McAlester, past president.

President's annual address, Harry Carlin, Oklahoma City.

Report of Secretary and Treasurer Homer Breeding, Oklahoma City.

Appointments of Committees.

Reading of Communications.

Address: Leo E. Thiemann, Casualty Information Clearing House, Chicago.

Open Discussions, L. B. Peters, Okmulgee, leader, "Danger of a Single Track Agency."

Address: R. L. Berry, American Appraisal Company, Milwaukee.

Address: "Advertising and Publicity," Geo. Hudson, Tulsa Tribune.

Open Discussions:

"Value of a State Organization," M. E. Williams, McAlester, leader.

"Proper Qualifications of an Insurance Agent," Vernon Sills, Ponca City, leader.

"Life Insurance Department as an Adjunct to a Local Agency," Hunter L. Martin, Tulsa, leader.

Address: Joseph V. Ferrari, Fort Smith, vice-president National Association of Insurance Agents.

Question Box.

Report of resolutions committee.

Report of nominating committee.

Unfinished business.

Election of Officers.

Want Deductible Clause on Gins

OKLAHOMA CITY, Oct. 4.—Because of the large number of flash fires occurring during the operating season of cotton gins, entailing losses varying from \$5 to \$50, many field men of Oklahoma are considering the matter of recommending a \$25 or \$50 deductible clause to be attached to form 40-B on cotton products, according to Will S. Eberle, president of the Union field club.

Mr. Eberle sounded a note of caution regarding Oklahoma conditions for the near future due to the failure of the cotton crop in southeastern Oklahoma, which has caused the closing of a number of gins in that section of the state. What the effect on general business will be he believes to be problematical, as in other sections good crops have resulted and will bring a good price. Gin writing companies are moving with care, he added. Another influence pointed out by the president is the fact that ginning rates have been reduced in the state.

To Continue District Meetings

OKLAHOMA CITY, Oct. 4.—The success met with last year in the district meetings of the Oklahoma Fire Prevention Association has impelled the association to make them one of the outstanding features of the 1927-28 program, according to William S. Eberle, president. Mr. Eberle said last year's experience was that they are undoubtedly the best medium for spreading the gospel of fire prevention among the farmers. The meetings are held in consolidated schools, in thriving communities that are easily accessible, and every one held last year was enthusiastic to the nth degree. Requests from different districts are being received by the association, he said.

The last few years have developed a large loss ratio on farm property in Oklahoma and the association is centering its efforts on reducing it.

Among the events planned for the season is a meeting of field men to be addressed on inspection and fire preventive measures by an expert engineer from the Oklahoma Inspection Bureau.

Defines "Thickly Settled Community"

AUSTIN, TEX., Oct. 4.—Following a request for definition of a "thickly settled community," which was brought up in a recent meeting of the state insurance commission, that body has announced that in its opinion such a community consists of residence in ten houses within a radius of one-half mile.

Plan Fire Prevention Study

LITTLE ROCK, ARK., Oct. 5.—The department of education, cooperating with the insurance commissioner and fire marshal, has prepared a synopsis of a course of study in fire prevention to be introduced in the public schools of the state. This is in accordance with the act of the 1927 general assembly which requires that the subject of fire prevention be taught in the primary grades of all public schools not less than 20 minutes each week. Another act of the same session requires all teachers in public and private schools to conduct at least one fire drill each month and to keep all doors and exits of school buildings unlocked during school hours.

Tornado Losses in Southwest

More than half the town of Rudy, Ark., was destroyed by the tornado which wrought such havoc in St. Louis. Only the railway depot of the Frisco, five stores and half a dozen dwellings remain intact. With communication vir-

The WESTERN Affiliated Companies



The Western Automobile Insurance Co.
The Western Automobile Casualty Co.
The Western Fire Insurance Co.

Established in 1910

Operating in 18 States

Combined Assets - - - - \$2,635,409

Combined Capital and Surplus, \$1,059,040

Cash Income, 1926 - - - \$1,733,186

RAY B. DUBOC
President

E. C. GORDON
Secretary

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Fort Scott, Kansas

Represented by LEADING AGENTS
EVERYWHERE

200,000 RISK REPORTS

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state of Wisconsin

AT YOUR SERVICE

WE are especially well equipped to serve insurance companies with risk reports on life, accident, health, fidelity, burglary, automobile, fire and theft cases in Milwaukee county and in the state of Wisconsin. Over 16 years of experience in all phases of commercial and insurance investigation insures competent handling of your business.

Rates are as follows:

Risk reports on life, accident, health, fidelity, burglary, automobile, fire and theft in Milwaukee county \$0.75
Elsewhere (in Wisconsin or the United States) 1.00
Claim reports on accident, health or death... 3.00
Investigations made by our medical staff vary in fee . . . \$10.00 to \$50.00, depending on time and expense involved.

No contract binds our clients. We depend on good service to hold your business.

Send the next case to us.

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New and Used Cars

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"Auto Appraisal" is a complete service, supplemented by weekly bulletins and quarterly revisions. It is being used successfully by automobile dealers, finance companies, trade associations, and AUTOMOBILE UNDERWRITERS of Insurance companies.

Here is the service at a glance.

Section one. Complete information on new cars, including prices, specifications, type of motor, etc.

Section two. Used car appraisals on all models from 1919 through 1926, including discontinued cars.

Section three. Automobile data on all cars manufactured from 1917 to 1925 with all the various types and their capacity. Shows models, serial numbers, price of car when new, etc.

Section four. Truck appraisals 1917 through 1924, covering Ford, Chevrolet, Reo and Dodge.

Let "Auto Appraisal" aid you in the successful underwriting of automobiles. Complete information—samples of the bulletins—pages from the manuals—and a list of the prominent users of our service will be sent at your request.

Automobile Reference & Appraisal Bureau
2970 West Grand Boulevard
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1852 1927

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This transformation has been actively participated in by the Hanover whose chief concern still is to protect mankind from its most destructive enemy—FIRE.

THE HANOVER FIRE INSURANCE COMPANY *New York*

Charles W. Higley, President

NEW YORK CHICAGO SAN FRANCISCO

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**THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA**
PHILADELPHIA, PA.

Fire—Lightning
Tourist Baggage
Inland Transportation
Use & Occupancy

Windstorm
Automobile
Parcel Post
Rent Insurance

**Acquire
THE OLD "STATE OF PENN"**

tually cut off and most of the town homeless, it is impossible as yet to estimate the property loss.

The storm, continuing into Oklahoma, injured eight persons and destroyed a number of farm homes and outbuildings at Checotah.

Rules on Motion Picture Booths

LITTLE ROCK, ARK., Oct. 5.—The insurance commissioner and fire marshal has ruled that all motion picture shows, except those using non-flammable films, shall construct booths in accordance with the requirements for interior arrangements and equipment as provided by the Arkansas Fire Prevention Bureau.

Texas Notes

John Mylod, head of the automobile department of the North British & Mercantile, is visiting in Texas this week.

R. H. Colcock, southern manager for the London & Liverpool & Globe, with headquarters at New Orleans, spent last week in Dallas.

Fire of undetermined origin destroyed the Hamilton gin at Barry, Tex., Saturday, with loss of \$40,000 and loss of all ungin cotton.

C. P. Bruce, manager of the Gates Adjustment Company's office at Dallas, is able to be at the office for a little while each day after a long illness.

John H. Hines, manager of the Houston office of the Southwestern Adjustment Company, is back at his desk again after an operation for appendicitis.

The general agency of George M. Easley & Co. at Dallas has secured for the southwestern territory the Pittsburg Underwriters of the Superior, one of the Firemen's fleet.

A. C. Prendergast, of Dallas, has associated himself with J. E. Derden in the organization of an insurance firm to be known as Prendergast & Derden.

Mr. Derden has had many years of experience in the insurance business.

Four stores in the Davis building at Wichita Falls, Tex., were completely wrecked when fire raged for more than an hour before being brought under control. The roof fell, which caused the complete demolition of all the cars in the Travelers' Storage Garage and the contents of the other stores. Damage was done to contents of adjoining buildings.

Snyder, Tex., saved the price of its latest model fire truck in the fire Sunday which resulted in loss of more than \$50,000. Firemen were forced to work with gas masks in removing the automobiles from the Strayhorn building. Burning rubber and dense smoke made it impossible to fight the fire except when wearing masks. This was Snyder's largest fire loss.

Fire, believed to have started by a match in a load of cotton, destroyed the Hunt Brothers gin at Denton, Tex., with loss of more than \$20,000. Fire extinguished when first discovered, burst forth again on resumption of ginning, making a heavy loss. At Whitesboro, Tex., the cotton yard suffered severe damages, fully covered by insurance, except three bales owned by neighboring farmers.

Oklahoma Notes

Announcement is made of the marriage of Z. M. Lang, special agent of the Great American fleet in Oklahoma, to Pauline Henry, formerly of the Oklahoma Audit Bureau.

Arkansas Notes

Leonard Stern, of Camden, Ark., vice-president of the United Insurance Agencies, well known in insurance circles throughout south Arkansas, was appointed police judge to fill the vacancy caused by the death of Judge Fred D. James.

IN THE SOUTHERN STATES

VIRGINIA FIELD CLUB MEETS

Plan to Have Rates on Automobile Business Checked by Inspection Bureau Is Discussed

The Fire Insurance Field Club of Virginia held its bi-monthly meeting at Hot Springs last week. Proposed changes in methods of handling automobile business were discussed but no definite decision was reached. George McG. Goodridge, chairman of the committee appointed to determine the feasibility of establishing an insurance institute at Richmond, was given further time to formulate a complete report. Companies which have not already done so were urged to file a list of their Virginia agents with the Virginia Inspection & Rating Bureau as soon as possible.

E. K. McDowell, superintendent of the southeastern department of the Transcontinental with Atlanta headquarters, was elected to membership.

The proposal to change the methods of handling automobile business had reference to a plan to have the rates on this class of business checked by the Virginia Inspection & Rating Bureau. It was pointed out by advocates of the plan that the bureau is now checking tornado rates in addition to fire, and they believed that it might undertake the checking of automobile rates too without any great inconvenience. A committee was appointed to confer with Manager Wright Spencer of the bureau and to sound him on the proposition. Some of the field men questioned whether the bureau was properly equipped to do this type of work. They also doubted whether the violations were sufficiently numerous to warrant the extra work that would be entailed.

Negro Company Selling Stock

LOUISVILLE, Oct. 4.—The Reliable Fire & Tornado, a Negro insurance company, which was recently incorporated here and its articles approved by the state insurance department, is selling its stock, which is divided into 5,000 shares, par value \$10, sold for \$15 a share. Officers named are Dr. Abney C. McCulley, president; Dr. Richard P. Beckham, secretary; Rev. George W. Stoner, vice-president; Robert H. Jewell, treasurer. Directors are William Brown, chairman; John Eves, E. C. Beckham, David Jeanett, J. Jewell, Frances Morgan, Samuel Wright, George Battle and Chester A. Hutchison. The entire organization is made up of the better class Negro citizens of

Louisville, principally professional and business men. The temporary office is at 641 East Burnett avenue, the home of the president. Offices will be established later at the American Mutual Bank building, Sixth and Walnut streets.

Board Helps Advertise Louisville

LOUISVILLE, Oct. 4.—The Louisville Board has subscribed \$600 and various individual members and firms also subscribed to \$450,000 national advertising campaign fund, formed by business leaders of Louisville for the purpose of advertising Louisville's commercial and industrial facilities. In ten years the city has grown from 220,000 to 320,000 and an effort is being made to reach 500,000 in five more years. The board also replaced its Wednesday advertising in local papers with special advertising featuring the campaign to advertise Louisville.

Ruling in Rate Case

FRANKFORT, KY., Oct. 5.—The fire companies were upheld by the federal court here this week in a question arising out of the rate litigation, involving the application of the increased rates to old policies upon revision. It is held that the 12½ percent increase is applicable on policies issued prior to March 29, the date when the temporary injunction granted the increase, where changes have been made since that date, a change cancelling the old policy contract and creating a new one.

Virginia Notes

A specially called meeting of Virginia Blue Goose will be held in Richmond, October 10.

A charter of incorporation has been granted Dovel & Dovel, of Harrisonburg, Va., authorizing them to operate an insurance agency with capital stock ranging from \$25,000 to \$50,000. Officers are: George W. Dovel, president; Olin A. Dovel, vice-president, and George L. Dovel, secretary.

Miss Ariadne M. Venable, who has served as stenographer for many years for Bernard P. Carter, Joseph N. Jacobs and R. Coleman Rice, state agents at Richmond for a group of fire companies, is back from a two months' European pleasure tour which included a cruise of the Mediterranean.

Read & Goldberg of Newport News, Va., have been granted a charter of incorporation authorizing them to operate a real estate and insurance agency in the city with maximum capital limited to \$15,000. Officers are: I. M. Goldberg,

president; S. H. Goldberg, vice-president; R. W. Read, secretary.

Kentucky Notes

John Chapman, 83, father of A. G. and G. K. Chapman of the Chapman Insurance Agency, Louisville, died last week. He was formerly in the tobacco business at Owensboro, Ky., but for several years had made his home with his sons in Louisville.

Tom G. Wilds, state agent in Kentucky for the Henry Clay Fire, has gone to Tennessee for a few days to look after

field work there, account of the recent death of Harold F. Manning, Tennessee state agent.

W. H. Strossman, underwriting manager of the Henry Clay Fire, in order to give closer attention to his office, is moving his residence from Mt. Sterling to Lexington, Ky.

John A. Strossman, formerly on field work for the Henry Clay Fire, and later an adjuster for J. H. Harrison of Louisville, has recently returned to the Henry Clay office at Lexington, Ky., where he is doing some special work for the farm department.

ON THE PACIFIC COAST

FARM CHANGES ARE RATIFIED

Modification in Pacific Board Tariffs Sought by Agents Approved by Necessary Majority

SAN FRANCISCO, Oct. 5.—Recommendations made by the joint committee composed of local agents and company managers appointed to consider the objections made to the farm tariff which was recently adopted by the Pacific Board have been ratified by the necessary majority of company members. These recommendations concede many of the points raised by the agents, among them placing of farm dwellings under an entirely new schedule, elimination of some objectionable features from the application form and the restoration of several classes back to their original rates.

What New Rules Provide

Under the new tariff which will be issued within the next few days no property located on land used for agricultural or dairying purposes or for raising live stock or poultry of less than two acres in extent and within the corporate limits of a city, town or village shall take the farm rate. Orchard property has been eliminated from this rate also

and special provision is to be made for this class of property.

Another concession is that dwellings shall return to the same rate charge prior to the promulgation of the new tariff and that live stock return to the original rate of \$1 and \$1.25. Other property which will hereafter carry the original rate of \$1.25 and \$1.50 instead of the new rate of \$1.75 and \$2.00 includes fruit trays, boxes and shooks, outbuildings and all other buildings or structures not otherwise provided for.

Another recommendation which has been adopted is that a pamphlet of instructions be issued to agents calling attention to various features requiring their personal examination in order to determine not only the rate but also the general character of the property and that the farm application form against which a storm of protest arose from the agents will, when completed and signed, constitute a warranty on the part of the insured. It is also planned to explain in this pamphlet the coverage of mortgage interests.

Uphold Appraisal: Attack Ordinance

That the requirements of the Seattle city ordinance relative to rebuilding after a 50 percent fire loss on a building went far beyond the conditions of the fire insurance contract, requiring a virtually new and more costly building,

and was not within the contemplation of the contract, is the holding of the Washington supreme court in affirming the King county court in the case of George Goulin vs. Northwestern National.

The insured, owner of the building and contents damaged by fire, claimed a total loss under the building policy of \$4,500, which the company refused to pay. An appraisal committee appointed as provided by terms of the policy fixed the loss at \$1,475 on the building and \$336 on contents. The high court finds that the award was fairly and honestly made.

To Enforce New Law

SAN FRANCISCO, Oct. 4.—An office has been established in the State building in San Francisco for Jay W. Stevens, fire marshal of California, for the purpose of enforcing the provisions of the new law regarding dry cleaning and dyeing plants which was enacted at the recent session of the legislature. This law provides for proper construction and inspection of dry cleaning and dyeing plants throughout the state to eliminate fire hazards. It was enacted as a result of many fires in this classification and will mean the remodeling of numerous plants and will undoubtedly force some of them out of business.

Kiwanis Fire Prevention Meeting

SAN FRANCISCO, Oct. 5.—H. L. Simpson, Pacific Coast manager of the Connecticut, Westchester and Virginia Fire & Marine, will act as chairman of a fire prevention meeting to be held by the San Francisco Kiwanis Club Oct. 13. Chief Mark E. Ryan of Redwood City, president of the Pacific Coast Association of Fire Chiefs, will make the principal address. Chief Murphy of the San Francisco department will be a guest of honor at the meeting, at which it is planned to have a fire fighting demonstration by his department.

Opens New Agency

Gilbert Knudtson, for the past two years agency manager at San Francisco for the Equitable Life of Iowa and prior to that vice-president of the Mutual Trust Life of Chicago, is organizing a general insurance agency at Huntington

Park, a suburb of Los Angeles, to be known as the Park agency.

Jalonick on Coast

I. Jalonick, president of the Republic of Dallas, has been spending the past two weeks in San Francisco on his way from the Pacific Northwest, where he spent six weeks. Before returning to Texas Mr. Jalonick plans to spend some time in Los Angeles.

Pacific Northwest Field Changes

Decker Little has been appointed special agent for the Firemen's of Newark fleet in Utah and southern Idaho, with headquarters at Salt Lake City. He will take over the duties in northern Idaho and Utah of H. L. Burton of Spokane and those in southern Utah of J. W. Bristow of Portland.

H. C. D. Keith of San Francisco, who recently resigned as special agent for the California in the Sacramento valley, has taken a similar position with Crum & Forster in the same territory. He succeeds E. Pendray, who has been called to headquarters to undertake underwriting duties.

Refuse Guaranty Fire Appeal

SAN FRANCISCO, Oct. 5.—The Pacific Board at a special meeting Tuesday refused the appeal made by the Guaranty Fire from a recent decision made by the executive committee declining approval to the appointment of Hansen & Rowland as general agents for the company in Tacoma.

May Increase Kern County Rates

SAN FRANCISCO, Oct. 5.—On account of arson conditions in Kern county, Cal., and a general fire record which is declared to be beyond all reason, the Pacific Board has requested the executive committee to take steps to consult with the officials of that section seeking betterments. At the meeting last Tuesday the board considered a request by a member that rates be increased from 25 to 50 percent.

The DesPlaines & Cook County Farmers Mutual, Mount Prospect, Ill., has amended its charter to include windstorm.

SOUND, SOLID, SUCCESSFUL

NEW HAMPSHIRE FIRE INSURANCE COMPANY

MANCHESTER, N. H.

Fifty-Seventh Progressive Annual Statement, January 1, 1927

ASSETS

United States Bonds.....	\$ 2,679,000.00
Dominion of Canada Bonds.....	82,150.00
Real Estate	267,500.00
Municipal and other Bonds and Stocks and Mortgage Loans	9,038,249.52
Agents' Balances	878,839.69
Accounts Receivable	118,344.19
Cash in Banks	615,702.37
	\$13,679,785.77

LIABILITIES

Capital Stock	\$ 2,500,000.00
Unearned Premium Reserve.....	5,879,442.72
Reserve for Losses.....	767,311.82
Reserve for Taxes and Expenses accrued but not due	257,500.00
Reserve for Dividends declared and unpaid.....	90,444.00
Net Surplus	4,185,087.23
	\$13,679,785.77

Policyholders' Surplus - - \$6,685,087.23

Increase in Assets.....	\$934,350.67
Increase in Premium Reserve.....	259,473.64
Increase in Net Surplus.....	448,292.22

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Chestnut and 39th Street

Hotel Pennsylvania

Fireproof—Unrestricted Parking—Garage



OSCAR W. RICHARDS, Manager

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Rooms with running water from \$2.50 per day

Rooms with private bath and shower from
\$3.50 per day

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Better Service to your clients when you use The COMBINATION AUTOMOBILE INSURANCE MANUAL



SCOPE OF EDITIONS
Field Edition covers
either the Eastern, South-
ern, Western or Pacific
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loose-leaf; standard
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silk cloth. Ring binders
of leather or leatherette
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The only manual that is complete
COMPLETE—Rules, rates and instructions for all cover-
ages applicable to automobiles of all types.
CONVENIENT—All necessary underwriting information in
a single volume. Handy for desk or pocket use. Loose-
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TIMELY—Revised pages showing new data and changes are
issued, not periodically, but promptly as announced, thus
assuring that information is always up-to-date.
COMPREHENSIVE—All possible requirements immediately
and easily available; Rates, List Prices, Current Values,
Serial and Engine Numbers, memorandums, application and
quotation blanks, etc.
EFFICIENT—Simplified Direct Quotation Tables show at
a glance rates for Public Liability, Property Damage, Col-
lision, Fire and Theft for all cars in general use.
ATTRACTIVE—Pleasing and Dignified in appearance. Has
the substantial aspect of the bound book and the flexibility
of the loose-leaf.
DURABLE—Will not become soiled-looking and "dog-
eared." Constructed to withstand unusually hard and
constant service.
ECONOMICAL—Worth while savings effected in time and
effort and at nominal cost.

Questions gladly submitted upon request, stating quantity required and district covered.

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210 South Hanover Street Baltimore, Maryland

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Want to make a profitable agency connection with specialists
in Automobile Insurance?

Write now to

**The Metropolitan Motor
Insurance Company**

All Forms of Automobile Insurance

423 Euclid Ave.

Cleveland, Ohio

IN THE MOUNTAIN FIELD

GOOD YEAR ON FIRE LINES

Experience in Mountain Field Proved
Disastrous as Usual, However,
on Hail Business

Herbert Cobb Stebbins of Cobbs, Mil-
ler & Stebbins, well known Denver gen-
eral agency, was in Chicago last week
on his way to New York, and will go
from there by boat to New Orleans to
attend the meetings of the National As-
sociation of Insurance Agents and the
Association of Fire Insurance General
Agents.

Mr. Stebbins says that business con-
ditions in the mountain field this year,
so far as the fire insurance end is con-
cerned, have been especially satisfactory,
with premiums holding up well and
losses lower than in many of the recent
years. The loss ratio of his own gen-
eral agency is below 35 percent and the
indications are that all of the companies
will make some money on their fire
business in Colorado and the mountain
field this year. There is a general feel-
ing of optimism among general agents
and field men operating in that terri-
tory.

When it comes to hail business, how-
ever, the situation is vastly different.
None of the companies made any money
on hail business in Colorado this year
and some of them sustained very heavy
losses. The mountain field seems to pre-
sent a peculiar situation as far as the writ-
ing of hail insurance is concerned and
one for which the companies have so far
been unable to find any satisfactory
solution. It is impossible to raise rates
any farther without driving out the most
desirable class of business. Further-
more, the most careful underwriting
seems to be of no avail. Mr. Stebbins

said that the companies' worst experi-
ence on hail business last year was in
one section of Wyoming, where a record
volume of hail damage was reported.
His agency decided to "lay off" of that
particular territory for this year, but for
the season just closed it produced prac-
tically no losses and was one of the
most profitable sections in the mountain
field for the companies that continued
to write business there.

To Meet in Colorado Springs

On Oct. 17 the annual meeting of the
joint supervisory committee for the
Rocky Mountain field will be held at
Colorado Springs, Colo. The Union will
be represented by W. B. Flickinger,
Philadelphia Fire & Marine; John A.
Campbell, Home of New York, and Fred
A. Rye, Commercial Union. E. B. Hatch
will act as secretary. Representatives
of the Bureau will be Walter D. Wil-
liams, Security of New Haven; C. H.
Yunker, Milwaukee Mechanics; Herbert
A. Clark, Firemen's of Newark and Ru-
dolph Belcher, general manager of the
Western Insurance Bureau.

Forest Fire Losses Heavy

Forest fires in the Rocky Mountain
region have caused damage estimated
at more than \$5,000,000. They burned
over an acreage of 735,000. These figures
were announced by the Colorado forest
service and are for last year.

Cochrane Joins Rate Fight

DENVER, Oct. 4—Commissioner Coch-
rane has joined in the fight to lower fire
insurance rates in Denver. Proponents
of the reduction say that the per capita
fire loss in Denver was \$1.42 in 1924,
while in Omaha it was \$5.01; Buffalo,
N. Y., \$5.79; Portland, Ore., \$3.69; Toledo,
O., \$4.30, with similar figures in other
places in the same classification with
Denver.

NEWS FROM EASTERN FIELD

COULD NOT WAIVE PROVISION

Sending of Cancellation Notice After
Collapse of Walls Did Not Keep
Policy in Force

In Wagner vs. Great American, su-
preme court of New York, appellate di-
vision, 223 N. Y. S. 155, the company
issued a fire policy covering a certain
building. The policy provided, among
other things, that if the building or any
material part thereof should fall, except
as a result of fire, the insurance should
immediately cease. While this policy
was in force, the foundation of the build-
ing became weakened by excavations on
adjoining property, and the front part
of the building collapsed. Upon this
happening the defendant's local agent
wrote the insured cancelling the policy
upon five days' notice according to the
cancellation terms of the policy. The
insured made provision for other insur-
ance to take effect at the expiration of
the five days' notice, but before this time
the remainder of the building was prac-
tically destroyed by fire.

Upheld Company's Contention

The insured thereupon brought suit to
enforce the policy on the ground that
the act of the agent in giving cancella-
tion notice to take effect in five days,
constituted a waiver of the provision in
the policy which provided for its termi-
nation upon the collapse of the building.
The trial court found in favor of the
company. On appeal the higher court in
reviewing the record and in affirming
this judgment said in part:

"The case contains conclusive evi-
dence that defendant's Niagara Falls
representative was an agent of purely
local and limited authority; that he had

no power to waive any provision or con-
dition of the policy plaintiff knew or
should have known.

"Much less was he empowered to
bind defendant by an estoppel. The
word as used in this action is really a
misnomer. Plaintiff under that term at-
tempts to create a new contract of insur-
ance, after a previous contract by its
terms had expired. It is not a situation
where the insurance company can be
held to have waived a right or advan-
tage under an existing policy, or by its
conduct estopped itself from asserting
such a right."

Joins National Fire

Irving Gabriel of the Automobile of
Hartford has left to join the National
Fire as underwriter in the Massachu-
setts field. He was formerly in the spe-
cial risk department of the Automobile
and lately with the registration division.

Opens School for Brokers

PHILADELPHIA, Oct. 5—The North
America has opened a school for brokers
at its home office, to prepare Pennsylv-
ania brokers for the prospective insur-
ance brokers examination. The insur-
ance department of Pennsylvania re-
cently announced that brokers must take
a state examination before licenses will
be issued them and thus the company
has opened a series of evening classes,
free to all who are interested in obtain-
ing brokerage licenses.

Boosts Fire Prevention School

NEWARK, N. J., Oct. 5—Employers in
the Newark industrial district have been
requested by Dr. A. F. McBride, state
commissioner of labor, to send represen-
tatives to the fire prevention school re-
cently established by the Newark Safety
Council. Dr. McBride said he was con-
strained to make the request in view
of the enormous annual fire waste of the

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DIALS
YOU
PRESS KEY

Clearance is automatic—lightning fast eliminating all handle "crank-ing."

TO MULTIPLY
PRESS ANOTHER
KEY

Multiplication also is automatic—result appears instantaneously.

BEFORE YOU
DECIDE SEE
MARCHANT.

Write or
consult
your
phone
book



15 YEARS
BUILDING
CALCULATING
MACHINES—
AND NOTHING
ELSE

MULTIPLICATION
DIVISION
ADDITION
SUBTRACTION

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SUPER - AUTOMATIC
MARCHANT CALCULATING MACHINE CO.
New York Chicago Oakland London
Sold and serviced in all principal cities
of the world.

The NEIL HOUSE

The
newest and now
the Leading Hotel in
COLUMBUS, OHIO
Opposite the State Capitol
655 ROOMS—655 BATHS
RATES FROM \$10.00
EUROPEAN PLAN

The facilities for dance,
luncheon, dinner and cord
parties, large or small, are
so unusually good that
Society and Fraternity
functions are always enjoyed.

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Club Meals in Main Dining
Room and Grill Room,
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COUNTER SERVICE
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Luncheon Clubs served
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CEDAR RAPIDS, IA. HOTEL ROOSEVELT

Rates: Room without Bath with private Lavatories \$1.50 and up. Rooms with Bath, Shower or Tub \$2.50 and up.
E. G. KILL, Mgr.

country and the conviction that the deplorable loss could be materially reduced through the exercise of care in removing fire breeding conditions in industrial plants, as well as in other classes of property.

H. M. Gratz Elected Chairman

Henry M. Gratz, president of the Girard Fire & Marine, was elected chairman of the Corporate Underwriters of Philadelphia last week in succession to the late E. C. Irvin. Charles B. Hill, secretary of the Fire Insurance Patrol, was reelected secretary.

Pennsylvania Notes

W. M. C. Craine, present city commissioner there and a well-known insurance man of Altoona, Pa., recently underwent an operation at the Altoona hospital. He has recovered entirely and is now at his office.

Frederick C. Neill, head of the firm of Frederick C. Neill & Co., died in Philadelphia last week. He was a prominent insurance broker, being also interested in banking. He first entered the insurance business with the well-known agency of Robert M. Coyle, and left that organization a few years ago to embark in the brokerage business.

The New England Fire, Homeland Fire and Harmonia Fire have been licensed in Maryland.

NEWS FROM CANADA

MAY INCREASE AUTO RATES

Readjustment in Schedules on Both Public Liability and Property Damage in Canada Likely

TORONTO, Oct. 5.—It is believed in some quarters of the insurance community that there may be an advance in the rates charged for public liability and property damage insurance on automobiles. This would not take effect, however, until next year, if such takes place.

The reason given for this move is that the number of automobile accidents is on the increase. Another reason is that it is thought the present rates are too low in many instances, by reason of companies making cuts through competition, and a readjustment has been found necessary.

Two Heavy Losses Reported

Fire originating from defective wiring destroyed a wing of the Ottawa Electric Street Railway barns in the Rockcliffe section of Ottawa, Ont. The structure was within a stone's throw of the governor-general's residence. The fire completely destroyed the building, as well as 25 trolley cars. The total estimated loss is put at about \$200,000, fully covered by insurance.

At Vancouver, B. C., fire of unknown origin caused considerable damage to several stores and offices in the Northern Pacific building. The building itself was damaged to the extent of about \$10,000, but large stocks of merchandise were also a total loss from fire, smoke and water, bringing the total estimated damage up to about \$150,000.

Canadian Losses Compared

According to the "Monetary Times," fire losses in Canada for the week ending Sept. 21 are estimated at \$116,700, as compared with \$237,400 for the corresponding week of 1926.

Two New Quebec Companies

Application has been made to the department of insurance at Quebec for the incorporation of an insurance company under the Quebec insurance act, to be known as the Trans-Canada Insurance Company, with head office at Montreal. Its capital is \$1,000,000. The company will transact all classes of insurance.

The National Fire of St. Hyacinthe, Que., has been licensed in the province of Quebec for fire insurance and has deposited \$25,500 with the provincial treasurer.

Issues Fire Prevention Booklet

The department of the attorney-general of Ontario has just issued an attractive 40-page fire prevention booklet,

The LIBERTY HOME OFFICE DAYTON, OHIO INSURANCE COMPANY

Automobile Insurance—Full Coverage—All in One Policy
Plate Glass, Liability and Accident Insurance
Capital Stock \$250,000—Assets Over One Million
Surplus to Policyholders Over Half Million

Agents wanted in Ohio, Missouri, Kentucky, Michigan, Tennessee, Kansas, Indiana, Alabama and Florida

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R. M. BISSELL, President

WILLIAM WALSH, Secretary

TWIN CITY FIRE INSURANCE COMPANY MINNEAPOLIS, MINNESOTA

The Company That Aims to Excel in Service

FIRE TORNADO FARM
HAIL AUTOMOBILE TRACTOR

Organized 1867

WHEELING FIRE INSURANCE CO. WHEELING, WEST VIRGINIA

Capital \$200,000.00
Surplus to Policyholders \$380,507.56

O. E. STRAUCH, Secy. WM. V. FISCHER, Asst. Secy. C. W. VOELLGER, State Agent
SAFE SOLID SOUND

P. D. BAIN
Chairman of the Board

HENRY G. BARBEE
President

The Hampton Roads Fire and Marine Insurance Company NORFOLK, VIRGINIA

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As an intermediary, for and on behalf of our clients, in negotiating RE- and EXCESS treaties of all kinds—UNUSUAL and miscellaneous Special Form policies—for London Lloyds and large American stock companies.

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entitled "Do You Know?" The whole subject is presented in the form of questions.

Canadian Agency Appointments

Canadian agency appointments include: A. S. Matheson & Co., Edmonton, Alta.; Commercial Union of New York; Hunt,

Kilburn, Edmonton, Palatine; T. McClocklin, Saskatoon, Sask.; Westchester; William Daffoe, Lloydminster, Sask.; Franklin Fire; S. J. Newman, Portage la Prairie, Man.; Home of New York.

Frederick W. Walker, branch manager of the Royal at Vancouver, B. C., was

found dead with a bullet wound in the head last week.

Miscellaneous Notes

The Brown & Martin agency, Louisville, has recently purchased the general insurance business of M. L. Shewalter, who for ten years has operated

an agency in South Louisville, representing several companies. Mr. Shewalter will be a solicitor for Brown & Martin.

Shearn Moody, president of the Security National Fire of Galveston, recently made a trip through the east, stopping at Richmond, Philadelphia and other points.

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MOTOR INSURANCE NEWS

FREEDY CONDEMNS PRACTICE

Wisconsin Commissioner Declares Right of Automobile Owner Should Be Properly Safeguarded

Commissioner Freedy of Wisconsin at the meeting of the insurance commissioners in Cincinnati last week brought up the question of the position of the assured, holding an automobile policy where the finance company arranged for the insurance. He said that the finance company would take out fire and theft insurance to protect its interest. As time progresses the finance company's interest decreases. The owner of the car frequently takes out other insurance so that he is fully protected. There is a clause in the policy voiding it if additional insurance is procured without the consent of the original insurance company.

Mr. Freedy said that in some cases where a car owner had tried to protect himself in this way found himself confronted with the unfortunate contention that his insurance was void because he had taken out other insurance without the knowledge of the other company. Mr. Freedy thought that this position was unjust, especially in cases where there was no over-insurance and the assured was not making an unreasonable claim. He ruled in cases of this kind that first the policy protecting the finance company should pay to that company its equity. The residue then should apply on a pro rata basis with the assured's specific insurance in satisfying his claim. The commissioners voted to refer the subject to the fire insurance committee with instructions to bring in a recommendation at the next meeting that should be followed in cases of this character.

Farrell Addresses Superintendents

Lieut. John Farrell, head of the automobile squad of the Chicago police department, was the guest speaker at the meeting of the Automobile Superintendents Club of Chicago last Monday. He told the assembled superintendents how the police department under the new Chicago administration has decreased thefts and increased recoveries. He said that more service to companies and owners can be given if when a car is stolen, in say, Chicago, and recovered in another city, the company or the owner or both will obtain from the police department of the city in which the car was stolen a letter of authority to release the car addressed to the police department of the recovery city. This practice, he said, would make for inter-city acquaintance among department heads and for closer cooperation.

After describing a unique method of car stealing devised by a Chicago thief ring the lieutenant concluded by stating that the Chicago department is obtaining a gratifying degree of cooperation from the courts. An effort is made not to take a case into court unless it is a clean-cut case of theft, and when only "good" cases are taken in, the courts' action is satisfactory.

Kansas Fleet Ruling

TOPEKA, KAN., Oct. 4—Commissioner Baker has issued an order to all insurance companies writing automobile lines, directing them to stop writing fire and theft insurance on individually owned cars under fleet policies. There has been a good deal of complaint relative to this practice of some large employers including cars of their employees in fleet policies. The department feels that it is a direct violation of the anti-discrimination law so far as it relates to the fire and theft business.

It is ruled only automobiles under one ownership and used for business purposes are eligible for fleet ratings and that the inclusion of automobiles other than those under one ownership and used for business purposes will be construed as a violation of law.

DUMONT SOUNDS A WARNING

Insurance Commissioner of Nebraska Calls Attention to Trend in Automobile Finance Business

John R. Dumont, insurance commissioner at Nebraska, in his talk before the Insurance Commissioners Convention at Cincinnati on insurance on automobiles sold on the deferred payment plan, said that every state department should insist that the policy or certificate issued to a buyer in connection with a financed car should show the interest of all parties insured, the amount of coverage, the rate of premium, date of issue, expiration date, description of the car and the general or standard provisions. Mr. Dumont said that many states have a law providing that no policy can be issued without the approval of the insurance department. Where states have such a law the situation can be met. He said that the effect of automobile finance business on local agents should receive consideration. Speaking further he said:

Little Gets to the Agents

"Considering that about 33 1/3 percent of the cars sold are produced by one organization and that this particular organization is operating its own finance company and also its own insurance company, and further that figures show that more than 70 percent of all cars are sold on the finance plan, I think it can be conceded that a very small proportion of the automobile fire and theft coverage written, now passes through the local agencies.

"Suppose Henry Ford follows the General Motors plan and suppose both decide that liability and property damage are needed for their protection. Either the agent will have to be content with a limited field of operation or else train himself to meet these new developments.

May Lead to Dire Results

"While the automobile industry is one of the largest, still there are many other lines of merchandise being sold on the finance plan and it does not take much imagination to picture where this system may lead to. I appreciate that it would no doubt be impractical to develop many of these other lines by using the same methods as have been used in automobile finance, but I do believe that the local agent stands to lose other lines unless something is done to stop this inroad on his business.

Companies Will Be Losers

"The agent is not the only one interested as I view it. What about the companies which might have been writing this business today if they had been able to meet the situation? No criticism is meant by this question, as I am well aware that the companies were confronted with an almost if not an absolutely hopeless problem. Giant corporations such as they are confronted with in the automobile industry might be willing to lose a large sum in underwriting if they could see an advantage and gain from some other branch of business by so doing.

Using Insurance for Advertising

"It might be well to offer a little argument against this development and suggest a possible means of discouraging others from using the insurance business as an advertising medium. Suppose other manufacturers and merchants should follow this practice, as for instance, a furniture dealer would decide to offer with each purchase amounting to \$25 a certificate which would enable the buyer to select a suit of clothes or a dress or a week's supply of groceries at 25 percent to 30 percent off, and with each \$500 sale give the buyer a chance to get an automobile at

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a discount. Can you not imagine what an uproar there would be, and do you not think this would disrupt many lines of trade? If every merchant or manufacturer stepped out of his natural field, eventually no business could be profitably conducted and there would be no customers for anyone.

Should Stay Out of Insurance

"The principle involved is the same. The furniture dealer would be willing, no doubt, to lose on the clothing, grocery or automobile sale if he had a long enough profit in the furniture end of the business, and no doubt it would be good advertising. In other words, why should the automobile manufacturers and finance companies not stick to their own line and let the insurance business be run at a reasonable profit? I, for one, have never been convinced that an automobile salesman or finance agent is interested in properly protecting the buyer so far as insurance is concerned, nor will he usually be on hand in case of a loss or in time of trouble."

First Airplane Theft Reported

COLUMBUS, O., Oct. 4.—Governor Donahy last week issued requisitions for the return of three alleged airplane thieves, said to be the first case of its kind in Ohio and involving theft at Troy, O., of a plane valued at \$2,750, taken to Berea, Ky., by Guy Jones, Homer Farris and George Moore.

Farris, now an aviator, formerly operated a drug store at Louisville, selling his interest there about three months ago and going to Berea. He was an army pilot in the war and has a commission as a reserve captain. Farris and Moore claimed they bought the plane from Jones, who lives at Danville, Ky., after it had been wrecked at Danville.

Names California Manager

SACRAMENTO, CAL., Oct. 4.—W. H. Salway, state manager for the accident department of the Union Indemnity, has been appointed manager for the Illinois Indemnity, automobile specialty company of Chicago, and will have charge of a development campaign for the latter company in northern California.

Case Taken Under Advisement

MADISON, WIS., Oct. 4.—Testimony in the suit of the Autoists Mutual of Chicago against Commissioner Freedy asking he be enjoined from refusing to renew the license of the company was closed in United States district court Saturday. Judge Luse took the case under advisement and will render a decision within a few days.

Warns of Service Concerns

CINCINNATI, Oct. 5.—Carl T. Finn, manager of the Better Business League in Cincinnati, recently gave an address over the radio warning the people of Cincinnati who want automobile insurance against the purchase of automobile service contracts. About a year ago many complaints were received by the Better Business League that salesmen for the service contract firms were misrepresenting these and leaving the impression with buyers that they had purchased automobile insurance. These complaints are not so numerous now but some are still being made.

Discusses Hudson Bay Rates

WINNIPEG, Oct. 4.—H. E. Crawley, a member of the marine insurance firm of C. T. Bowring of London, Eng., who is in Winnipeg, and who is touring the Dominion, taking of insurance rates in connection with the Hudson Bay shipping, said: "Considering all the modern aids to navigation that have been developed, any difficulties or dangers there might have been for shipping in the Hudson straits should be considerably minimized now and there is no apparent reason why shipping insurance in connection with the Hudson Bay route to Liverpool should be excessive." Mr. Crawley pointed out that at one time it was considered that shipping on the Great Lakes was beset with difficulties and dangers, yet these had, to a large extent, been overcome.

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FIRE UNDERWRITING ON MORE STABLE BASIS

(CONTINUED FROM PAGE 3)

tute bill, I am afraid the farmers will all be bankrupt or will have starved to death. It would be the height of folly to subsidize the farmer as has been proposed, and the national administration should stand firm in its opposition to government guarantee of prices. I cannot visualize any bill that would act as a panacea for the wide field of agriculture. There is too often a divergence between farm prosperity and industrial prosperity to warrant an acceptance of the old theory that farm prosperity goes hand in hand with industrial prosperity.

"Underwriters have a serious problem in the farm situation, and the loss experience on farm business reflects the unfortunate position in which the American farmer finds himself today.

Business Conditions Good

"The inability of the deflated rural purchasing power to depress business activity generally, is a sincere tribute to the soundness of economic conditions in this country. A secure money situation and a tremendous volume of business, with a proper balance between production and consumption, provides reasonable assurance of prosperity for at least some time to come.

"I believe the soundness of American business today is proof that it is gradually recognizing the fallacy of a presidential year having an adverse effect on industry and commerce.

"That the country is in a flourishing condition is further evidenced by the building industry which indicates a remarkably well sustained volume of construction. It is a well demonstrated fact that the rate of building operations invariably increases with the rise in national income, so that a comprehensive building program the country over may quite generally be taken as a positive index of general prosperity.

"While the present economic condition of the country warrants an optimistic outlook, we must not be oblivious to the fact that there are still pitfalls in our pathway. That we do in fact recognize the danger posts ahead is after all favorable augury for the future.

"It has been a source of much gratification to company executives to note the decrease in losses so far this year as compared to the same period for 1926, and this in the face of increasing property values. The losses reported for the first eight months of this year for the United States and Canada amounted to \$225,466,400, as against \$288,342,500 for the same period of 1926. This reduction seems to be quite general in all sections of the country, due possibly in part to the absence of forest fires because of the prevailing wet weather. No doubt the reduction in moral hazard on losses due to a more stringent and intelligent underwriting policy has also contributed its share in reducing the aggregate losses.

Frantic Race Is Checked

"The frantic race for volume in the past has been superinduced by the great American impulse to break records. The companies are becoming more discriminating in the acceptance of business, disciplining themselves to such an extent that they are willing to forego the breaking of records or even an increase in volume, if necessary, to obtain a proper classification of business, and the results of late months as shown by the returns, must satisfy company executives that the new program is the correct one. Companies, so to speak, have been engaged in a campaign of mopping up the questionable business of the country. Prudence dictated a reduction in volume to accomplish this, and the outcome is a compliment to the enterprise of insurance executives.

"Loss adjustments are being more carefully scrutinized and the fire prevention and publicity campaigns carried on by companies no doubt are beginning to bear fruit. It is fortunate indeed that companies have felt some measure of

relief from the constant drain of fire losses, inasmuch as the year has been a most disastrous one from the standpoint of losses suffered by tornadoes. There probably never has been a season when there has been the unusually large number of severe and widespread tornadoes as in 1927.

"It is only fair to say that the concerted war on arson is undoubtedly beginning to show its effect on the loss ratio. Many cities now have arson squads in their police departments, thus showing an increasing interest by law enforcing bodies in the menace of the arsonist. The mayor of a large mid-west city recently threatened to expel the fire chief if there was not a decrease in losses. The model arson law, where enacted, is functioning with telling effect. It has been a long hard fight to get this message over, but it is believed that the public is gradually being impressed with the fact that they are just as vitally interested in the activities of the fire bug as the insurance companies are.

"While on the question of loss ratio, it is interesting to note that in 1926 fifteen states had a loss ratio of 55 percent or more and fourteen states had an average loss ratio of over 55 percent for a period of ten years. An anomalous feature in this respect is the fact that the states with uniformly low or reasonable loss ratios seldom become involved in agitation for rate reductions, while many other states with continuously excessively high loss ratios are almost continually seeking rate reductions despite the fact that the average rate has shown a gradual decline in late years; for instance, in 1925 and the two preceding years, the average rate was 97 and it dropped four points, or to 94, in 1926.

Tax Situation Unsatisfactory

"At the risk of repetition, I wish to comment on the tax situation with which companies are confronted, and which shows no improvement. We, as insurance men, have always contended that the multitudinous taxes, licenses and fees should be consolidated into a single fee sufficient to adequately support each state insurance department as a service organization instead of one for general revenue. Ohio, by legislative enactment, recently increased the fire insurance tax one-half of one percent, or to three percent, and then promptly reduced the appropriation for the insurance department by \$25,000 annually, obviously, a most inconsistent program. Naturally, this will seriously affect the operations of the department for the conduct of which the companies have been so unjustly taxed. The same situation is true in other states where only a small percentage of the insurance tax goes to the maintenance of insurance departments, and the proportionate amount so expended shows a gradual decline each year, the public generally being entirely ignorant of the fact that these taxes are necessarily hidden in the rate.

"It has been well said that a little knowledge is a dangerous thing. There have been of late some articles published dealing with certain phases of the insurance business which were apparently written by persons wholly unfamiliar with the great institution of insurance. One of these writers would act as the modern Moses of the insurance world by inaugurating a comprehensive advertising program of the insurance business on behalf of insurance executives, who, in his opinion, are collectively and individually all so hopelessly stupid that they do not know how to conduct their own business. Despite this sally from a blissfully ignorant writer, the business of insurance has been so efficiently and economically administered that it is practically the only enterprise in the country whose cost has actually decreased in the face of increase in other lines of business, and this has been accomplished without any garish advertising program. The author of the article in question is obviously unaware of the very effective and dignified advertising program conducted by the National Board public relations committee, the

committee on publicity and education, and the fire prevention committee. He gives no thought to what is a sad commentary on the American public, although at the same time a most effective form of advertising, and that is the disgraceful fire waste of the country, for which the average citizen in his reckless individuality assumes no responsibility whatsoever. The writer in question has apparently not given even a passing thought to the advertising for the need of insurance which has accrued from the many disastrous windstorms which have swept through the country.

"Another writer in an ingenuously written article, portrays the insurance business as sort of a sleight-of-hand performance. To any right thinking man it is readily apparent that the dissertation of that writer is not worthy of serious thought. To the glib public such articles make good reading, but they do not make their impress upon any one whose thinking cap is on straight, and much like the scare headlines of the newspapers, are promptly forgotten. The so-called trouble with insurance as portrayed by the gratuitous comment of these writers does not lie with insurance at all, but with individuals who do not understand insurance. While our business like any other human institution, needs the tonic of outside criticism, nevertheless, such criticism must be impartial and intelligent and come from a source that merits consideration."

FIGURES ON ST. LOUIS LOSSES ARE VARIED

(CONTINUED FROM PAGE 4)

structures have also been further weakened by the water.

Robert N. Carver, manager of the claim department of the Charles L. Crane Agency, estimated the aggregate losses at from \$50,000,000 to \$60,000,000 of which he said about 40 percent would be on contents. It is his belief that the automobile loss alone will exceed \$1,000,000.

Some of the major losses in last Thursday's storm were as follows:

United Railways Company, which had three car barns damaged and many lines put out of commission, approximately \$600,000. Other public utilities, including Southwestern Bell Telephone Company, Union Electric Light & Power Company, Laclede Gas Light Company, Laclede Electric Company, about \$1,500,000. Illinois Power & Light Corporation, Venice, Ill., upwards of \$1,000,000. Various churches in St. Louis from \$500,000 to \$1,000,000. The heaviest church loss was that suffered by the Holy Trinity Catholic church, which had its rear section so wrecked it may be impossible to repair the structure. Damage to public schools approximates \$1,500,000.

Two men were killed by lightning and 20 persons injured in a tornado which struck Brosely, Mo., eight miles southeast of Poplar Bluff, Mo., Sept. 29. One woman was injured near Ridge Farm, 20 miles south of Danville, Ill., when wind destroyed her home. Heavy wind bordering on tornado velocity struck Cowden, Ill., Sept. 29. One man was killed and two others injured. Several thousand dollars of property damage resulted. A minor tornado skirted Brookfield, Mo., the same afternoon and destroyed one barn.

Life companies with policy claims in the stricken area of St. Louis plan to make immediate payment. Beneficiaries under policies on the lives of those killed have been urged to get in touch with the companies immediately so that the claims may be paid without delay and thus furnish much needed cash to the surviving members of stricken families.

The Metropolitan Life, which had a number of industrial debits in the storm zone, has announced that it will make concessions to victims of the storm who may not be able to meet premium payments for the present. It is expected that other life companies will follow the Metropolitan's lead.

ADJUSTMENT BUREAU SET UP IN ST. LOUIS

(CONTINUED FROM PAGE 5)

them to the stricken city to work with its adjusters there. The Underwriters Adjusting, also of Chicago, gathered 15 of its best men from surrounding points and sent them to the city to work with its St. Louis staff.

Number of Claims Estimated

Following the disaster the people were so stunned that claims were slow in coming to the companies' attention. It has been estimated that, Illinois cities affected included, there will be from 6,000 to 7,500 claims. An early estimate of losses covered by insurance is that they will total \$7,500,000.

It will be some time before the tornado writing fire companies will be able to approximate the loss they will be called on to pay as a result of the disaster, though all concede the aggregate claims will mount well into the millions. As soon as the papers carried news of the storm, New York underwriters had tabulations made of all policies likely to be involved. A more careful check up was possible when they received from the St. Louis Inspection Bureau a diagram of the afflicted area.

Profiting by the experience of former years, and notably that in Miami in September, 1926, the companies almost without exception safeguarded their liability through the medium of excess reinsurance. Hence confidence is felt that no one office will be badly hurt when final returns are in from St. Louis.

Plate Glass Claims Small

It was at first thought the plate glass companies would be in for heavy losses, but this feeling changed when the boundaries of the stricken territory were defined, showing that the major damage occurred in a residential section of the city. Here the dwellings, though of substantial character, had comparatively little plate glass coverage, such as existed being confined largely to colored plates. It is expected that a number of losses have been sustained in that section of the business district near North Grand, Vandeventer and Olive streets. St. Louis underwriters report that the glaziers of the city are well supplied with glass stocks, and no disposition is shown to take advantage of the situation to charge other than customary rates for replacements. Little salvage is anticipated, the force of the tornado being such as to shatter lights into small fragments. On Aug. 1, last plate glass rates in St. Louis were reduced 20 percent, the change applying to both new and renewal business.

Accident Claims Expected

That there will be a number of claims filed with the accident writing companies is anticipated, though thus far none has been reported. The storm is likely to cost the compensation insurance carriers considerable money, if it proves true that a number of men reported employed in various industrial establishments in the path of the storm were killed or severely injured. Another probable source of claims will be for damages to automobiles. Company officials have instructed their men on the ground to report full particulars as soon as possible, and are prepared to deal with all losses promptly.

Only a few western departments of fire companies will even venture an estimate of their losses, these few being:

North America, \$150,000; America Fore, \$300,000; Urbaine, \$60,000; Hartford Fire, \$200,000; Eagle, Star & British Dominions, \$27,000; Aetna Fire, \$200,000 or less; Commercial Union, \$100,000; Atlas, \$50,000; Newark, \$65,000; Westchester, \$50,000; Royal, \$140,000.

Late check on losses shows: Property damage \$15,000,000 to \$25,000,000 and insurance loss \$5,000,000 to \$8,500,000. Life insurance loss, \$200,000 to \$250,000 and accident insurance less than \$100,000. Claims on automobile and plate glass liability and workmen's

compensation will be few, the aggregate amounts being negligible.

Harvey W. Russ, general adjuster, National Board, has estimated total loss at \$20,000,000 and insurance loss probably \$5,000,000.

Mayor Makes Estimate

Mayor Victor J. Miller estimates damage from \$12,000,000 to \$20,000,000 and Harold M. Bixby, president St. Louis chamber of commerce, says net property loss will be from \$10,000,000 to \$15,000,000, with \$5,000,000 to \$7,500,000 insurance loss additional.

The St. Louis representative of THE NATIONAL UNDERWRITER following survey of stricken district, estimates residential and commercial building loss at \$8,000,000 to \$10,000,000 with 45 percent insurance; residential building contents, \$6,000,000, with 5 percent insurance; industrial plants and equipment, \$2,000,000 to \$3,000,000, with 50 percent insurance, and public utilities as follows: Street railways, \$300,000; electric power plants and distribution lines, \$1,000,000, and telephone and telegraph lines, \$600,000 to \$700,000. Miscellaneous property losses, \$800,000 to \$1,000,000; total property loss, \$17,500,000 to \$22,000,000; insurance loss from \$6,50,000 to \$8,500,000. If three public schools and two Catholic churches, badly damaged, are taken down entirely total loss may be \$25,000,000. These figures include \$3,000,000 maximum loss in Illinois cities.

Claims Come in Slowly

Insurance claims are coming in slowly. Of the first 898 filed, but 20 included insurance on contents. This indicates general conditions in the residential districts, which are peopled largely by people of the laboring class.

Chairman Chapman of general committee on adjustment said companies want only fair treatment and will endeavor to pay losses just as fully as they are covered by insurance. In cases where repairs are needed to prevent further damage, estimates of cost made by reputable contractors will be accepted unless there is some evidence of profiteering. Mr. Chapman estimated total loss at \$25,000,000, with probably one-fifth covered by insurance.

Storm Zone Districted

To facilitate inspections the adjusting companies have districted the storm zone and the same men will handle all claims in each district except the more important risks and involved claims, which will be assigned to special men.

In addition to its regular St. Louis staff, consisting of John Keller, manager, and 15 inspectors, the Western Adjustment has brought in T. Shugart and W. L. Heintz, Chicago office; H. F. Johnson, D. C. Girardot and H. C. Cunningham, Detroit; A. C. Guy and A. O. Wing, Cincinnati; E. C. McElvain, Milwaukee; T. D. Gernerchak, Cleveland; W. R. Synder, Columbus; G. M. Wise, Omaha; L. L. Rowe, Minneapolis; G. Davis, Kansas City; V. E. Noble, Des Moines; C. B. King, Decatur; C. B. Williams, Kansas City; J. R. Ellis, Toledo; M. W. George, Duluth; F. H. Klinefelter, Youngstown; J. J. Donahue, Milwaukee; H. W. Knoblauch, Grand Rapids; H. M. Greenberg, Rockford; B. J. Moore, Saginaw; Ralph Pfremmer, Kansas City, and M. W. Collie, Akron. J. K. Nelson, assistant general manager, Chicago, is in charge.

Inspectors for the Underwriters Adjusting engaged in tornado work include Donald E. Chilcote, manager, Chicago; K. C. White, E. B. Bystrom, E. V. Fawlings, C. T. Hynons, Frank W. Beach, James A. McKamy, Fred H. Haack, Harry Jensen, George E. Kinney, William A. McKenzie, Dewitt C. Jones, R. B. Rogers and A. B. Barber.

Prominent insurance men who came to St. Louis to get first hand information about the situation include: Roy A. Sellery, general manager Western Adjustment; J. Hodgkins, assistant manager Queen, Chicago; W. A. Chapman, Fireman's Fund; R. E. Hall, general

RANDOM NOTES MADE ON THE FLY AT THE COMMISSIONERS' CONVENTION

(CONTINUED FROM PAGE 6)

Michigan, who was general agent of the Royal Exchange.

Capt. J. J. Conway, superintendent of the Cincinnati Salvage Corps, a giant physically and big hearted, was one of the prominent factors on the boat ride in explaining points of interest along the river.

At the ladies' luncheon at the Cincinnati Woman's Club, Mrs. Edward J. Wohlgenuth, wife of the president of The National Underwriter, who is president of the club, was the official hostess.

President C. W. Brandon of the Columbus Mutual Life and General Manager I. A. Morrisett of the Gem City Life of Dayton represented the life companies outside of Cincinnati.

C. C. Criss, treasurer and general manager of the Mutual Benefit Health & Accident of Omaha, was present at Cincinnati.

Charles F. Thomas of Chicago, assistant western manager of the Aetna Fire, and Ohio State Agent Arthur Lohmeyer, ran down to Cincinnati and participated in the entertainment at the Cody farm.

Joseph Gauspohl of Covington, secretary of the Kentucky Association of Insurance Agents, mingled with the throng at the Cody farm.

H. L. Ekern, former Wisconsin insurance commissioner and more recently attorney-general of the state, attended the Thursday meeting.

Commissioner Freedy of Wisconsin presented a resolution on the death of W. A. Fricke, who for some time had been connected with the Wisconsin department and was formerly insurance commissioner.

On motion of Commissioner Baldwin of the District of Columbia, a telegram

agent Phoenix group; R. S. Boyd, manager Newark Fire, and F. A. Rye, Commercial Union.

STATES' RIGHTS ISSUE BECOMES PARAMOUNT

(CONTINUED FROM PAGE 6)

in order that possible confusion may be avoided, to say that each state defines 'domestic corporations' as being corporations of its own creation. Most states define 'foreign corporations' as being corporations of some other state or country, and 'alien corporations,' and sometimes 'foreign corporations,' as being corporations of a foreign country. For the purposes of this discussion 'foreign' is generally used to mean a company of another country.

"A state may have an entirely good state reason for prescribing certain investments that its own 'domestic' corporations cannot make, but such reason cannot properly apply to another state.

Intent of Law Explained

"New Jersey has a law which prohibits an insurance company from investing in the stock of any corporation that has not paid dividends for five consecutive years. New Jersey enacted this law for reasons of its own in relation to its own corporations. It is manifestly wrong, however, to say that all corporations that have not paid dividends for five years are unsound and that an insurance company of a state other than New Jersey is prohibited from investing in the many sound stocks that have not paid dividends for five consecutive years, because perhaps they have not been in existence for five consecutive years, or be excluded from New Jersey. New Jersey had the right to enact this law for the government of its own corporations, but it certainly had not the right to enact it for the government of corporations of other states.

"For instance, if an insurance com-

pany of sympathy was sent to the mayor of St. Louis on account of the tornado disaster.

Robert E. Hall, who always attends the convention for the Aetna Life, registers for the Aetna Life group, viz: Aetna Life, Automobile of Hartford and Aetna Casualty. At Cincinnati, one of the registration clerks put on Mr. Hall's badge "Automobile Life."

Vice-President Charles F. Williams of the Western & Southern Life and Mrs. Williams gave a dinner at their home to some of the commissioners, particular friends and officials of the company, Monday evening.

John D. Sage, president of the Union Central Life, who was on the job every minute in looking after the convention people, is not only a strong company official but one of the most finished ball room dancers in his city. On the cruise up the Ohio river there was a dancing contest in which Mr. Sage and Mrs. Jesse R. Clark, wife of the treasurer of the Union Central Life, were partners, receiving the prize.

Thomas E. Braniff of Oklahoma City and James W. Henry of Pittsburgh, both members of the conference committee of the National Association of Casualty & Surety Agents, were present, going on to White Sulphur Springs to attend the casualty meeting.

John T. Hutchinson, secretary of the Insurance Federation of America, was one of the interested spectators. A. W. Whitney, manager of the National Bureau of Casualty & Surety Underwriters, was on hand.

John J. Lentz of Columbus, O., president of the American Insurance Union and former congressman, always makes an impressive appearance with his shock of snow white hair and massive frame.

pany of another state invests in a stock that is perfectly sound by recognized financial standards, New Jersey would not refuse to permit such company to take credit for the value of such stock in its financial statement, nor would New Jersey refuse to permit such company to do business in New Jersey, simply because a New Jersey company could not make such an investment. If the stock in which such company invested were valueless by recognized financial standards, then New Jersey would refuse to permit this stock to be carried at any value in the statement of such insurance company. If the stock had a certain value, if measured by recognized financial standards, then New Jersey would permit this stock to be carried at whatever such standards might prove the value to be. In other words, New Jersey would not say that such company could not do business in New Jersey, unless and until recognized financial standards had shown that the investment of such company had so shrunk in value as to exhaust its surplus.

Evils Would Follow Compulsion

"It is clear that this is the only proper method for one state to apply to the corporations of another state in determining financial soundness, and that to attempt to apply any other method would kill the comity that now exists between all states and would bring in its train patent evils that must inevitably follow such a course, and would result in retaliation and open enmity. New Jersey's reasons for its laws relating to its own companies are a matter between it and its own citizens, and it does not voluntarily undertake to make them extraterritorial in application and thus infringe on the rights of other states. It is not necessary from the standpoint of sound finance, and it is unwise from the standpoint of relations between itself and other states.

"While states have supervising pow-

ers over insurance companies, their powers are properly limited to carrying out the provisions of laws enacted by the states, and these powers do not extend to changing the meaning of the law through forced interpretations, nor to going beyond the express wording of the law and reading into it something that, however much the supervising officer might personally wish had been incorporated, is not a part of the law.

Chaos Would Result

"It needs no argument to show what a dangerous and chaotic condition would result if supervising and administering officers of a state had the power of the legislature and could make laws at their will. In relation to their administrative officers, legislatures are jealous of this power to make laws, and do not and cannot delegate it to such officers. The courts are equally jealous of the law as written and of their (the courts) right to construe the law if there is question as to construction.

"It cannot, therefore, be safely argued by any state or permitted by any other state, that a law relating to the 'domestic' corporations of one state can, at the will of a supervising officer, be applied to the corporations of another state.

Legislatures Jealous of Rights

"Legislatures are also jealous of their rights to legislate for the corporations of their own states and are properly resentful of any attempt on the part of the legislature of any other state to make its laws extraterritorial in meaning or scope. If, therefore, the law of any given state prohibits its corporations from making certain investments, it is proper that its administrative officers should see that the law is carried out as it relates to its own corporations, but it is not proper that they should attempt to read into the laws of other states their own laws. Of course if an administering or supervising officer of a given state finds through the application of recognized financial standards that a corporation of another state is financially unsound, he not only has the right but has the duty to see that such corporation is brought to a sound basis or excluded from his state. In doing this, however, recognized financial standards must be used, and not some standard peculiar to the given state.

Where National Board Stands

"The National Board of Fire Underwriters through its committee on laws and its legal department has opposed, through every proper means within its power, the passage of laws prohibiting the ownership of the stock of one company by another company, believing such laws to be not only unnecessary but to the contrary most harmful to the best interests of the public and the American insurance companies. Where the National Board has opposed such laws it has logically argued, and it has demonstrated, that the chief, in fact only, beneficiaries under such laws would be insurance companies of other countries operating in the United States in their own names and through companies owned by them."

WILL MEET TO DISCUSS MADDEN'S SUCCESSOR

No steps have been taken to secure a successor to James L. Madden, manager of the insurance department of the United States Chamber of Commerce, who resigned to become one of the vice-presidents of the Metropolitan Life. The directors will meet at West Baden, Ind., Oct. 15, when undoubtedly the matter will be taken up. There are many applicants coming from many quarters. It is felt that the applicants will be sifted out by the insurance directors and the insurance advisory committee and some recommendation will be made by the directors. Undoubtedly the recommendation will be acted on favorably by the president of the United States Chamber.

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The National Underwriter

October 6, 1927

CASUALTY AND SURETY SECTION

Page Forty-one

SCRAP ACQUISITION RULES, ASKS BURRAS

Innocent Suffer, Guilty Profit, Says President of Casualty and Surety Agents

OUTLAWRY IS LEGALIZED

All Control Over Expenses Is Lost by Habit of Granting Additional Agencies

WHITE SULPHUR SPRINGS, W. VA., Oct. 4.—Charles H. Burras of Chicago, president of the National Association of Casualty & Surety Agents, at its annual meeting reviewed the steps leading up to the formulation of the acquisition cost rules for surety business. After the approval of the rules by the insurance commissioners' convention, which President Burras said his association felt were workable, they were changed to provide an increase in the number of regional agents. This, he declared, practically destroyed the profit for general agents, as it left but 5 percent margin for them. Mr. Burras said:

"With the exception of New York City, which is governed by a special set of rules and under a special committee appointed for their administration, I cannot find that any serious-minded effort has been made by the conference to enforce the rules, such as they are. Excess commissions, above those provided for by the rules, are being paid practically country-wide. The business today is in as chaotic a state in our 'distinctly professional calling' as it was one year ago.

Effect Is Nullification

"The effect of the relief provision, which is practically identical with that provided for in the acquisition cost rules for casualty insurance, is that the limitations fixed by the rules themselves may from time to time be extended by the national agency committee to any company applying which the national agency committee may deem entitled to the relief sought. The effect of this relief provision in the rules for casualty business has been to practically nullify those rules on excess commission agents.

"As an illustration: A large and one of the oldest companies writing burglary business applied for six general agency exceptions to the casualty rules in Chicago. This, in addition to the two provided by the rules, made eight general agents on burglary business that this company desired in Chicago.

Disapproved by Local Committee

"Its request for this relief was submitted to the executive committee of the Illinois Casualty Association. This committee gave careful consideration to the request of this company, considered it from every angle, taking into consid-

CONFERENCE IS HELD ON RATING PROGRAM

MINIMUM RISK QUESTION UP

Stock Companies Still Hopeful That Their Position on Compensation Business Will Be Approved

NEW YORK, Oct. 5.—Representatives of the National Bureau of Casualty & Surety Underwriters, the National Council on Compensation Insurance, Compensation Inspection Rating Board and the American Mutual Alliance, the last named being an association of mutual companies, were in session here yesterday reviewing the compensation rating program submitted by the stock carriers to the department a short time ago and referred by Superintendent Beha, after a general hearing, to the bodies above named, with the suggestion that they endeavor to work out a generally acceptable plan, supporting it with statistical data.

The primary contention of the stock men is for added rates on minimum rated risks, which experience has conclusively demonstrated can not be carried at figures now obtained. Stock managers feel that they occupy a position that is unassailable and while the non-stock carriers are loath to approve it, they have not been able to submit a counter proposition or to find flaws in that of their competitors. For that reason stock men continue hopeful that their program will be endorsed by Mr. Beha.

eration the brokers which the company wished to appoint as general agents, the effect of granting these exceptions upon other companies doing the same class of business in Chicago, the character of the brokers which the company wished to appoint, and after a full, comprehensive discussion and consideration decided that the request of the company asking for these exceptions should be refused. Notwithstanding the action of the executive committee, which certainly was better informed as to local conditions and the effect of such appointments upon other members of the casualty acquisition cost conference, the national agency committee, under the authority provided by the casualty acquisition rules, granted the request, and the six additional general agents were appointed, making eight 30 percent commission agencies for burglary insurance for this company at Chicago.

How Relief Provision Works

"Some months ago a check and a bill from a certain broker in payment of the bill of this same company was sent to our office by the broker by mistake. This check evidenced the deduction of 30 percent commission. This broker was not listed as a general agent of the company. This information was communicated to the chairman of the executive committee of the Illinois Casualty Commission and by him reported to the national agency committee. It was also reported to the home office of my company. Upon being brought to task for this violation of the rules, the company involved, as I understand it, applied to

CALLS EXTRAVAGANCE OF GOVERNMENTS A DANGER

MEANS GREATER TAX BILL

F. Robertson Jones Says Insurance Companies Are Made the Butt of Attacks

WHITE SULPHUR SPRINGS, Oct. 5.—Secretary F. Robertson Jones of the International Association of Casualty & Surety Underwriters in his report stated there are 55 members. He declared the tax situation in the various states constitutes an increasing menace. The state governments are spending much money, some of them recklessly. They are issuing bonds, thus burdening future generations.

Seek More Tax Funds

He said: "Owing to the fact that these bonds are tax-exempt, the temptation to float them is strong. Combined with probable extravagance is the real need for additional sources of income due, among other things, to the prohibition law and the depreciation of the national currency. States are consequently conducting a thorough going search for new sources of income and in doing so, they meet, of course, with great resistance. As a result, the tendency is to go in the direction of least resistance and that has usually been found to be in the direction of our insurance companies. It is very easy to suggest an increase in the rate of the insurance tax and it is all too easy for that suggestion to be enacted into law. Of course, the incidence of such an increase in tax falls upon the policyholder. That is an economic truism.

Legislation Reviewed

During 1927, twelve bills were introduced in 11 states increasing the premium tax, only one of which was enacted, that of Ohio; two bills in two states providing for an occupation or franchise tax, neither of which was enacted; four bills in three states increasing fees, two of which were enacted; and three bills in three states providing for (or increasing) the income tax, none of which were enacted."

Speaking of compulsory automobile liability insurance, he said that in the recent legislatures there were 75 bills introduced in 29 states providing for some form of financial responsibility for automobile accidents. Eleven provided for monopolistic state funds. All however failed to pass.

the national agency committee for an additional general agency exception in Chicago in order to provide this broker with a legalized right to receive this 30 percent commission. This is, of course, only interesting as an illustration of how this relief provision works.

"If all companies writing burglary insurance in Chicago had as many general agents as the company in question, we would have over 250 general agents for burglary business, which would probably absorb every burglary account in Chicago which amounted to anything.

"This is legalizing outlawry. Before the acquisition cost rules for casualty

(CONTINUED ON PAGE 56)

BIG ATTENDANCE MARK SET AT WHITE SULPHUR

Notable Program Opens Sessions of Casualty and Surety Men's Associations

CONFIDENCE IS DEMANDED

St. John, Miller and Beha Direct Talks to Problems Resting on Business Ethics

By C. M. CARTWRIGHT

WHITE SULPHUR SPRINGS, W. VA., Oct. 4.—Tuesday's session of the annual meeting of the International Association of Casualty & Surety Underwriters and the National Association of Casualty & Surety Agents was perhaps the most notable in the history of these joint meetings. E. A. St. John, president of the National Surety and head of the company organization, in his address struck the keynote of reciting some of the ills of the business and then calling on officials and men in the field to lay aside petty differences, assume personal responsibility and present a united front. He feels that steps could be taken to acquaint the public with some of the fundamentals of casualty insurance and suretyship.

Dean of Surety Forces

Then President Charles R. Miller of the Fidelity & Deposit, dean of the surety forces, 36 years in the business and always with one company, in a profound discourse, set before the field and office men the basic principles of suretyship, pointed out the obligations assumed and presented a platform of ethics, a code of business morals that if followed would solve to a great extent some of the vexing problems. Superintendent James A. Beha of New York, the next speaker, referred to the confidence companies have in their assured and the public but the officials lack confidence in one another. Finally Governor Albert C. Ritchie of Maryland, militant leader for more reliance on state governments and a favorite son in the Democratic presidential convention, castigated those that are bringing about increased federal centralization, which means more paternal regulation and lessening of individual initiative.

Companies Guardian of Good Faith

It was a program that deepened thought and inspired higher standards. Mr. Beha in his talk characterized insurance as selling confidence in one's fellow men and one another. Insurance companies, he said, are the guardians of good faith. Necessarily they repose confidence in their policyholders. The public believes that the companies will meet their obligations. He said it is up to the agents to carry this message of confidence along the line. It depends on the agents to maintain this spirit of confidence. The companies back their

indemnity by all their resources. Mr. Beha stated he had been disappointed in noting the lack of faith in one another on part of company executives. They evidently give credence to rumors. The business would be infinitely benefited if suspicion were allayed. Executives trust their assured whom they do not know but will not trust their fellow officials whom they do know.

Warning on Paternalism

Governor Ritchie said that insurance men are interested in the trend of government because their business has so wide a scope. Government is a vital factor in every day business life. During the last 25 years there has been developed excessive federalism. It is destroying the sovereignty of the states. He advocated a return to local self government. Governor Ritchie pointed out that industry is relying on federal aid and subsidy.

Individual responsibility needs to be encouraged. The government has helped industry, labor and transportation. Now the farmer feels he is entitled to federal government aid. Governor Ritchie acknowledged there was a farm problem. He thinks there should be a conference of the various important interests and try to do something to help the farmer. He severely condemned the prohibition amendment as an undue exercise of federal authority over personal conduct. He asserted that the states should decide for themselves whether they desire prohibition.

Acquisition Plan a Failure

President C. H. Burras of the National Association of Casualty & Surety Agents threw hot shot into the casualty and surety acquisition cost conference, declaring that the part relating to surety especially should be scrapped as it was a failure. Lewis A. DeBlois, director of the safety engineering division of the National Bureau of Casualty & Surety Underwriters, spoke Wednesday morning as did W. B. Burruss, the lecturer on "Shakespeare—the Salesman."

At the banquet, the program and menu were in policy form with riders, clauses, provisions, conditions and agreements issued by the White Sulphur Springs Indemnity Company and guaranteed by the organizations meeting here. It was a clever piece of work showing the fine Italian hand of R. H. Thompson of the Maryland Casualty, who has charge of the entertainment features. C. H. Burras of Chicago was toastmaster. The speaker was Wallace Bruce Amsbury of Chicago, poet and member of the faculty of Armour Institute.

The golf prizes were awarded at the banquet following the tournament. H.

AGENTS ARE STUNG ON THE INTEGRITY MUTUAL

REPLACED UNPAID POLICIES

Receiver Demands Premiums from Members—Unearned Amounts Not Allowed as Credit

Clarence F. Buck, receiver of the Integrity Mutual Casualty, has made a demand on policyholders under date of Sept. 30 for premiums on policies that were issued before the receivership took effect but not paid for. In some cases the assured has already paid the agent. Either the agent or the policyholder will have to make good.

The federal court, which has jurisdiction over the receivership, has ruled that a policyholder in the Integrity Mutual is a member of the company, even though he holds a non-assessable policy. The members who have premium claims are not on equal terms with loss claimants. It is a case of F. H. B.—"family hold back." Inasmuch as the assets will hardly discharge the losses in full, claims for unearned premiums have little chance of a dividend.

Point of Court Ruling

The point of the ruling in regard to policies on which the premiums have not yet been paid is that even though the unpaid policies were turned in for cancellation and claim for return premium filed with the receiver, the return premiums cannot be set off against the original premiums. To allow such set off would be to give delinquent members an advantage over good paying members, who are not allowed their return premiums. Inasmuch as the policyholders are members the ordinary rules of set-off do not apply.

Some agents are "stung," as they replaced the Integrity policies that they had not yet remitted for, expecting that the return premium would practically cancel the original premium. They have probably settled with their customers on that basis. Now they must either make good or pass the buck to their customers with consequent injury to their good will. The "kick-back" on mutual and reciprocal insurance is sometimes in an unexpected direction.

P. Jackson of the Norwich Union Indemnity was chairman of the golf program. The prizes this year were particularly attractive. Governor Ritchie arrived Sunday with the Baltimore contingent. He was tendered a dinner Monday evening by President F. Highlands

CHARLES MACDONALD SPEAKS AT LUNCHEON

ADDRESSES CASUALTY CLUB

Secretary of Chicago Society Council Tells Meeting Necessity of Continuing in Accident Prevention

Charles Macdonald, secretary of the Chicago Safety Council, addressed the meeting of the Casualty Field Club of Illinois in Chicago last Monday on the subject of "Accident Prevention in Industry." He opened his address by applauding the insurance fraternity for its cooperation in acting as a reception committee for the delegates to the National Safety Council convention held in Chicago last week.

"There is nothing new in accident prevention work in industry," Mr. Macdonald said. "The job simply calls for constant hammering by those in charge of the work. One thing all insurance men must do is to get thoroughly sold on the job of accident prevention. The more you know about the work the more accidents you can prevent. Collective effort in accident prevention will get definite results. The insurance man who makes direct contact with the assured, whether he be an agent or a department head, is the man who should work to educate the assured to all phases of accident prevention in his plant. The insurance men of Chicago have a big reason for working with the Chicago Safety Council."

Safety Council Endorsed

At the conclusion of Mr. Macdonald's address a motion was made and carried to the effect that the Casualty Field Club give its hearty endorsement to the Chicago Safety Council.

Conversation following the address was all to the effect that the percentage difference between standard and reciprocal insurance especially on the auto public liability line may become so large that the standard carriers will not be able to overcome the arguments advanced by the reciprocals. Compensation business in Illinois also is in a bad way. It already has fallen to such low estate that it is predicted schedule rating probably will pass out within the next six months and that after that experience rating will be the only basis on which the business can be figured.

Burns of the Maryland Casualty, to which was invited some of the convention notables.

The attendance this year exceeds any (CONTINUED ON PAGE 54)

HAZARD TOO GREAT ON PEACE OFFICERS' BONDS

LINE DISCONTINUED BY F. & D.

Baltimore Company Will Not Write Them Hereafter Except Under Extremely Favorable Conditions

BALTIMORE, Oct. 5.—Losses occasioned by suits involving damages for false arrests by police, sheriffs, deputies and so-called "peace officials" have increased to such an extent, according to officials of the Fidelity & Deposit, that it has discontinued writing these bonds except under extremely favorable conditions.

In a notice to the company's representatives, Vice-president P. L. Wellener declared the company was handling more claims of this character than ever before in its history. "We are particularly harassed," he said, "by claims and suits on the bonds of deputy sheriffs and similar officers in states where the state police officials are engaged in prohibition enforcement, in addition to their regular duties."

Cleveland Case Cited

As a typical false arrest case, Mr. Wellener referred to a recent affair in Cleveland, where a policeman, seeing a couple apparently "petting" in a parked automobile, arrested the pair and kept them locked up for six hours on a charge of disorderly conduct, in spite of the man's protests that the woman with him was his wife. A jury subsequently awarded the wife \$3,675 damages against the too officious cop. The husband has since entered suit for an additional \$15,000.

Conditions are so bad that the company has instructed its representatives no longer to furnish bonds on behalf of deputy sheriffs, policemen, constables and similar subordinate peace officers unless the applicants are sufficiently responsible financially, so that they can respond to a reasonable claim for damages out of their own funds.

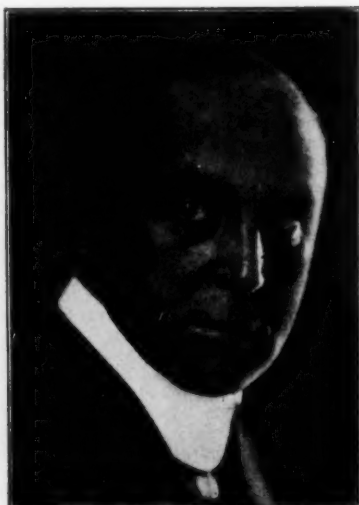
Bonds on behalf of sheriffs are also prohibited "unless a careful investigation has been made and the applicant found to be thoroughly honest and capable of handling his duties; that he possesses reasonable financial means; and that his deputies will be bonded by corporate sureties."

The company has also instructed its representatives under no circumstances to execute bonds on behalf of sheriffs charged with the responsibility of collecting taxes, until the applications have been submitted to the home office for approval.

PROMINENT IN JOINT MEETING OF THE CASUALTY ASSOCIATIONS



E. A. ST. JOHN,
President International Association



CHARLES H. BURRAS,
President National Association



F. ROBERTSON JONES,
Secretary International Association



DORR C. PRICE,
Secretary National Association

NEEDS OF CASUALTY BUSINESS REVIEWED

Picture of Conditions Given by E. A. St. John at Casualty Convention

URGES PUBLIC EDUCATION

Vital Need of Institution of Insurance Today—Putting House in Order First Essential

WHITE SULPHUR SPRINGS, Oct. 5.—Speaking before the joint casualty convention, in session here this week, Edward A. St. John, president of the National Surety and president of the International Association of Casualty and Surety Underwriters, gave a general review of casualty and surety conditions, saying in part:

Business Proportions Grow

"Every year the casualty and surety business broadens in scope and increases in volume. Every year the business is accorded greater recognition by the general public as one of the essentials in the nation's prosperity. Year by year we have increasingly greater responsibility to our policyholders, to those who rely upon the security of our obligations, to the public in general, and to our stockholders. We have in our keeping a great trust which must at all times be carefully guarded and safeguarded. During the past 10 years, the premium income of the casualty and surety companies of the United States reached the staggering aggregate of nearly \$3,750,000,000. Almost all of this vast sum went back to the public in the payment of claims and the cost of the service. The collective underwriting profit of the surety companies during this 10-year period was only about 2 percent of the underwriting income, while the casualty companies, over the same period, served the public at an actual collective loss of about .5 percent on their total underwriting income.

Business Little Understood

"Notwithstanding the very considerable gain in public recognition, I think there are few kinds of business so little understood by the American public as the casualty and surety business, and this applies not merely to the average run of our citizens but to men of affairs who have large interests and play an important part in our business life. We are looked upon, generally speaking, as successful institutions, earning tremendous profits and growing rich with little effort. The truth of the matter is that we are engaged in a very difficult kind of business, one which requires unusual training and skill, one which is fraught with many hazards and dangers; a business which requires the closest possible attention at all times and which can be successfully conducted only with a carefully put together, intelligent and cohesive organization capable of giving close attention to minute details.

Government Insurance Agitation

"Frequently we hear proposals that insurance be conducted by the government and various governmental units. If the gentlemen favoring government insurance were sufficiently informed as to the difficulties, hazards and dangers of conducting this business and the narrow margin between success and failure, I doubt whether any such proposal would be seriously made. If the companies with the kind of organization which I have described, backed by the experience of years, find it so difficult to stay on the profit side of the line, certainly a less well equipped organization, such as would result from a government-

DEFERRED PAYMENT COVER ON REALTY DEALS BARRED

RULING IS ISSUED BY BEHA

Holds Development Companies Issuing Such Contracts Are Transacting Insurance Business

NEW YORK, Oct. 5.—Many real estate development companies here are affected by a ruling handed down this week by Superintendent Beha, who has ordered all such companies to desist in the future from issuing contracts which provide for the waiver of deferred payments in the event of the death or disability of a purchaser of their property. The action is based on the grounds that in so doing the development companies are transacting an insurance business which they cannot legally do without complying with the provisions of the insurance law.

Superintendent's Ruling

"It has come to my attention," Mr. Beha said, "that many real estate development companies issue contracts with a clause to the effect that in the event of a purchaser's death on or before deferred payments are completed, the said real estate development companies will deliver to the survivor or the estate a clear title without further payments. It has also come to my attention that said developments companies issue contracts wherein they agree that in the event of the sickness or disability of the purchaser payments on account of the purchase price are waived for the period of disability and the installments considered as paid for that period. Such a plan obviously contemplates the payment of money or its equivalent upon the death or disability of the purchaser.

"Such a contract constitutes the transaction of life and disability insurance business and can not legally be done without complying with the provisions of the insurance law. Real estate development companies are therefore directed to discontinue the issuance of such contracts. Continued violations brought to the attention of the department will demand necessary corrective action."

Exceptions to Rule

This ruling does not apply to those development companies which have had themselves appointed as agents of regular insurance companies in order to write approved death and disability covers on their clients. It refers only to those companies, unhappily in a large majority, which have been issuing such contracts at their own risk, very few having set up any reserve or made other adequate financial provision to meet their liabilities in event of an instalment purchaser's death or disability.

As the purchaser pays for the risk of the company by paying increased installments, he is virtually paying a premium for protection which is far from certain under any or all conditions. While it is not so stated by the department, the principle of this ruling is expected to apply to all concerns which carry the risk themselves in incorporating death and disability waiver of payment clauses in contracts with instalment buyers.

operated insurance scheme could not hope to conduct the business successfully.

Educating the Public

"We, as companies and company representatives, whether officials, employees or agents, have a great work to do in eliminating impressions of the public regarding our companies, our business and methods, and in bringing about a better understanding and more cordial relationship. I believe that we suffer considerably because of the fact that we are not properly and well understood. Many,

INDUSTRIAL INSURERS TO MEET IN ST. LOUIS

THREE-DAY SESSION PLANNED

Business Will Occupy Mornings of Delegates to Conference—Afternoons to Be Given to Recreation

The 18th annual meeting of the Industrial Insurers' Conference will be held in the Coronado hotel, St. Louis, Oct. 19-21. Three general sessions and one executive session will be held. The program of entertainment includes golf tournaments held on two days, a theater party for non-golfers, a dinner dance, the conference banquet, a sightseeing tour and a trip through the downtown business district. The business program is as follows:

Opening Session

Invocation: Rev. Arthur Mather.
Address of Welcome: J. A. Walker, Missouri Insurance Co.
Response to Welcoming Address: C. E. Clarke, Peninsular Casualty.
Minutes of Last Meeting: E. T. Burr, Durham Life.
President's Address: Bernal L. Tatman, Reliable Life & Accident.
Report of Credentials Committee: P. L. Hay, Bankers Health & Life, Macon, Ga.
Report of Good of Conference Committee: W. R. Lathrop, Southern Life & Health.
Report of Grievance Committee: T. T. Phillips, Gulf Life, Jacksonville, Fla.
Report of Secretary and Treasurer: E. T. Burr.
Report of Membership Committee: C. S. Drake, Empire Life & Accident.
Report of Golf Committee: Raymond Daniel.
Address: Robert E. Daly, Actuary, Insurance Department of Missouri.
Address: Claris Adams, Secretary, American Life Convention.
Address: "The Sickness Factor in Modern Industry," Dr. Frederick L. Hoffman, Consulting Statistician of the Prudential.
Discussion.

Second Session

Address: "Imagination in Business," S. B. Renshaw.
Address: "Cooperation of Competing Agents on the Debit," P. L. Hay.
Address: "Claim Adjustments," G. S. Galloway, President, George S. Galloway, Inc., Chicago.
Address: "Respect for the Other Company," C. S. Drake.
Address: "Flimflam," John W. Blevins, Interstate Life & Accident.

Executive Session

Report of Executive Committee: J. R. Leal, Interstate Life & Accident.
Report of Statistics Committee: A. B. Upshur, Home Beneficial Association.
Round Table Discussion of Preceding Reports and Addresses.

Final Session

Appointment of Nominating Committee.
Address: "Observations Upon Ordinary Business," A. B. Upshur.
Report of Auditing Committee: H. A. Bartholomew, Continental Life, Washington, D. C.
Report of Advertising Committee: W. R. Lathrop.
Report of Law Committee: P. M. Estes, Life & Casualty.
New or Deferred Business.
Report of Nominating Committee.
Election of Officers.
Selection of Next Meeting Place.

and perhaps all, of the suggestions with respect to government-operated insurance, I believe, have been the result of misinformation, lack of information, or misunderstanding on the part of the public and public officials. We have, and must have the public interest at heart. Otherwise, we cannot and ought not to succeed. We justify our existence by the service we render and the good we do, and we have no right to claim or expect public consideration and confidence except as we earn it by supplying

(CONTINUED FROM PAGE 54)

MONK'S POSITION ON COMPULSORY LAWS

Will Greatly Strengthen the Position of Those Favoring Such Measures

MUCH INTEREST IS SEEN

Massachusetts Commissioner Claims the Results Have Been Most Satisfactory in That State

The position of Insurance Commissioner Monk of Massachusetts in upholding the compulsory automobile insurance law of that state in his address before the meeting of the National Convention of Insurance Commissioners in Cincinnati will serve to greatly strengthen the proponents of that measure. Mr.



WESLEY E. MONK
Massachusetts Commissioner

Monk declared that the law after nine months' operation has shown most gratifying results. He stated that the number of accidents has been reduced and so called junk cars have been pretty much driven from the highways. Claims, he thinks, have been adjusted satisfactorily. In brief, Commissioner Monk is highly pleased with the operation of the Massachusetts law.

Wants to Proceed Slowly

Mr. Monk stated through THE NATIONAL UNDERWRITER that while he is compelled to acknowledge that the law has been very beneficial to Massachusetts, he hopes that other states will not endeavor to pass similar laws until the Massachusetts law has been given at least 15 months' trial and preferably two years. He feels that it should be tried out fairly. Furthermore, he does not believe that the insurance companies should be forced to adjust themselves and provide new machinery for a number of states enacting such statutes in a brief space of time. If the Massachusetts law works out satisfactorily and other states desire to follow it, he hopes that gradual steps will be taken and not compel companies to have too much on their hands at one time.

Commissioner Benson's Comment

At the Cincinnati meeting of the commissioners, C. D. Benson of Maryland gave credit to Massachusetts for pioneer work done along this important line. He said that a number of compulsory bills came before the Maryland legislature but the legislators felt that

such a law might cause more accidents. He said that the Massachusetts experience shows that this is not true. If a compulsory automobile insurance law will keep dilapidated cars operated by irresponsible people off the highways he is for such a measure.

Says Opponents Were Not Frank

Commissioner Benson said that he felt that many opponents of this law were fearful of results and hesitated to experiment in uncharted waters. He further stated that in his opinion the opposition had not been entirely frank. In the first place, insurance companies and agents stated that a step of this kind would eventually lead to state insurance. Next the automobile dealers opposed it because they had on their floors many second hand cars which they might not be able to sell so readily if such a law were passed. In the third place, he said that the finance companies opposed a statute of this kind because they have such a large amount of outstanding loans on second hand cars.

Should Establish Financial Responsibility

Mr. Benson stated that those owning cars should be made to establish financial responsibility in some form. He said that rates for compulsory insurance should be regulated because the business does not have to be solicited. It is more

like workmen's compensation insurance. He does not think that the raising of the state insurance issue is in good taste. He declared that if private insurance companies are able to meet the demands effectively, satisfactorily and at a fair cost there will be no danger of the state desiring to assume the responsibility of insurance. The time has come, he said, when the people are opposed to turning loose irresponsible and careless motor drivers on the highways. He thinks that the finance companies are not making loans so heavily on second hand cars as they have been in the past.

Commissioner Livingston Spoke

Commissioner C. D. Livingston of Michigan in talking on the subject said that the insurance antipathy to a compulsory law is due to the fact that it largely takes from the companies the privilege of selecting their risks. He said that insurance companies that have become strong have reached that point because they were privileged to select their agents and select their risks. He realizes the fact that in automobile liability insurance, there is not great moral hazard because a driver does not desire willfully to injure anyone.

Many Irresponsible Drivers

Mr. Livingston said that he had called up the hospital in Detroit which takes

care of persons injured on the streets by automobiles. He was told that 60% of those injured were the victims of irresponsible drivers. He was interested in the statement of the Massachusetts commissioner that prior to the enactment of a compulsory law, only 30% of the car owners carried liability insurance. He thinks that in Michigan about 40% do.

Commissioner Livingston said that the middle class and wealthy people as a rule carry insurance. They are the profit producing group for the insurance companies. He is interested in knowing what the results will be when this class is largely diluted by those who under ordinary circumstances would not carry insurance. He thinks that it will take two years for Massachusetts to get trustworthy experience on the results of its compulsory law.

Action of Juries

Mr. Livingston stated that where it was known an insurance company was interested in an automobile injury case, a jury seldom decides it on its merits but merely assesses damages. He wonders what will be the attitude of juries in disputed cases under compulsory laws where it is known that insurance is carried by every one.

Mr. Livingston stated that it is fortunate that this experiment was made in

a conservative state like Massachusetts where it will be fairly administered. He said that the states should see to it that only companies are licensed that will be able to meet their obligations however far into the future they may reach.

NEW AMSTERDAM TO ADD HALF MILLION TO CAPITAL

The New Amsterdam Casualty plans to increase its capital from \$2,250,000 to \$2,750,000 if formal authorization for the increase is given at a special meeting of stockholders called for Oct. 14 at the company's New York offices. According to a letter sent all stockholders by President J. Arthur Nelson, 45,000 additional shares with a par value of \$10 will be allotted to stockholders in an amount equal to one-fifth of their present holdings. Rights to the new stock are worth from \$13 to \$18 a share, with New Amsterdam selling at 69 bid, 74 asked, and it is believed present stockholders will immediately subscribe for the whole of the new issue.

The dividend basis for 1928 will be increased from \$2.70 to \$2.80 a share, thereby making the new stock net 5 percent on the investment.

Ireland Made Supervisor

Edwin C. Ireland of the agency department of the Maryland Casualty has been appointed agency supervisor. He was assistant to the late Superintendent of Agents W. J. Unverzagt. Third Vice-President R. H. Thompson has charge of the agency department of the company.

Illinois License Issued

License to operate in Illinois has been issued to the American Mine Owners' Casualty of Huntington, Pa. The company has announced its intention of taking over the coal mine compensation business canceled by the Metropolitan Casualty. It is a stock company with paid-up capital of \$300,000. It will write liability in addition to workmen's compensation.

Associated Industries Speakers

BOSTON, Oct. 4.—Commissioner Wesley E. Monk will be one of the two insurance speakers at the 12th annual meeting of the Associated Industries of Massachusetts in Boston Oct. 20. He will speak on "Insurance and Insurance Supervision." The other speaker on an insurance topic will be John W. Cronin, vice-president and general counsel of the Liberty Mutual, who will talk on "The Cost of Workmen's Compensation Insurance."

Goes on Stock Basis

The board of directors of Physicians Indemnity of St. Louis, which has been operating on the assessment plan since 1923, confining its business principally to health and accident insurance, has voted to put the company on a stock basis and will capitalize at \$200,000, with surplus of a like amount. Permission to make the change and to sell the stock has been granted by the Missouri Insurance department. The par value of stock is \$25, selling at \$50. As soon as the stock has been sold the company will write all forms of life contracts as well as health and accident. Licenses will be applied for in all states.

May Resume Virginia Writing

RICHMOND, VA., Oct. 4.—The London Guarantee & Accident is reported to be planning to resume the writing of casualty business in Virginia. A representative of the New York office was in Richmond the other day making inquiries as to the possibility of establishing a satisfactory state agency connection here. Although it quit writing casualty lines several years ago in the state, it has continued to hold its Virginia license and has limited its activities in the state to the writing of credit business. H. V. Godbold of Richmond has been looking after the credit line in both Virginia and North Carolina. He formerly was general agent for all of its lines. He is now general agent for the Zurich.

JUDGE GARY and SIR WALTER RALEIGH!

Read the following from the will of the late JUDGE ELBERT H. GARY:

"I earnestly request my wife and my children and my descendants that they steadfastly decline to sign any bonds or obligations of any kind as Surety for any other person or persons."

This great business leader knew the dangers of PERSONAL suretyship!

Now read what SIR WALTER RALEIGH said over three hundred years ago:

"If any desire thee to be his Surety, give him a part of what thou hast to spare;

If he press thee further he is not thy friend at all, for friendship rather chooseth harm to itself than offereth it;

If thou be bound for a stranger, thou art a fool;

If for a merchant, thou putteth thy estate to learn to swim;

If for a churchman, he hath no inheritance;

If for a lawyer, he will find an evasion by syllable or word to abuse thee;

If for a poor man, thou must pay it thyself;

If for a rich man, he needs not;

Therefore, from suretyship as from a manslayer or enchanter, bless thyself; 'for the best profit and return will be this: that if thou force him for whom thou are bound, to pay it himself, he will become thy enemy; if thou use to pay it thyself, thou wilt become a beggar.'"

During the last thirty years this Company has paid EIGHTY-FIVE MILLION DOLLARS IN LOSSES

When you need a Surety or Fidelity Bond or Burglary Insurance Policy, get the VERY BEST. It costs no more!

AGENTS EVERYWHERE

NATIONAL SURETY COMPANY

CAPITAL \$15,000,000.00

115 BROADWAY, NEW YORK

The World's Largest Surety Company!

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MEMO

Remember to write
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Company-Chicago-
about an Agency.

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Automobile
Insurance
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/

SMALL RISKS SHOW HIGHEST LOSS RATIOS

Cost Figures Given at White Sulphur Convention by Expert of the National Bureau.

PLANT EXPERIENCE CITED

L. A. DeBlois Addresses Casualty Men on Accident Prevention and Workmen's Compensation

Lewis A. DeBlois, director of the safety engineering department of the National Bureau of Casualty & Surety Underwriters, addressed the International Association of Casualty & Surety Underwriters this week on the subject, "Accident Prevention vs. Workmen's Compensation Losses." In part his address was as follows:

"The principal variables directly affecting accident losses may be grouped under accident cost and accident occurrence. By 'cost' I mean the cost of individual accidents, and by 'occurrence' their frequency. The trend of accident cost is affected by the trend of all factors which have any influence on accident cost, including wage-rates, cost of medical and surgical attention and greater liberality in the provisions or application of compensation laws. All these factors appear to have a marked upward trend at present, though it is probable that some are approaching their limit. At any rate, there is little hope of any very immediate reduction.

Control Factors Many

"The second factors are those which control accident occurrence. They are a mixed group and include factors affecting exposure, such as hours of work, factors affecting working conditions, such as plant maintenance, introduction of mechanical and electrical power, safeguarding, etc., and factors affecting the individual, such as the labor market, the wage scale, management, and plant organization.

"Each of these factors has its own trend and all influence the trend of accident losses. In a country such as this, where progress is phenomenally rapid, the economic and business conditions of a decade ago are not those of today. That is precisely why we cannot go too far into the past for experience on which to base industrial insurance rates. Old experience would not be typical of the present day. When we need a greater area of experience than is afforded by the recent past, we must get it from spread (payroll) rather than depth (policy years).

Rates Probably Too Low

"So long as rates are based on a limited past experience and are not adjusted to known trend, business written at these rates will be unprofitable whenever the trend of losses is upward. Furthermore, if the trend of accident cost is also upward, our only chance for a downward loss-trend lies in creating a downward trend of accident occurrence sufficient to offset the upward trend of accident costs.

"We are attempting to account for a phenomenon affecting many million people spread over a vast area. The cause of any sudden increase or decrease in the death rate of such a large group, whatever it is, must itself be capable of sudden increase or decrease and must be profoundly effective. It must affect people variously employed, for we detect its influence in the curves for deaths from falls, burns, machinery, mines, railroads, electricity and poisons, all of which show fluctuations similar to those of the

McKINNEY GIVES INTERESTING VIEWS ON UNIFORMITY IN LICENSES

JAMES E. McKinney, agency assistant of the Aetna Casualty, who attended the recent meeting of the Insurance Commissioners' Convention, believes in greater uniformity among the state departments in the issuing of agency licenses. He said in this connection:

"When considering the matter of standardization of departmental procedure in connection with the issuance of insurance agents' licenses, it seems to me that consideration might be given to the questions: 1. Is uniformity in this regard desirable? 2. Is such a matter a problem worthy of consideration by the National Convention of Insurance Commissioners?

Uniformity Desirable

"1. Uniformity of procedure in endeavoring to accomplish a certain end does appear very desirable. This has been proven in the past (to cite two examples) by the inauguration of the National Convention statement blank and by the standard provision requirements for accident and health policies. I am convinced that uniformity of procedure in connection with the matter of agents' licenses would be most desirable.

Real Problem Presented

"2. I believe that the matter presents a real problem. I have in mind one state issuing 70,000 licenses a year, another 20,000, and another over 100,000, and so on through the list of states, reaching an aggregate total of many thousands of licenses indicating an expenditure of time and money to accomplish the work of licensing insurance agents.

Three Interested Parties

"In the matter of licenses there are three interested parties: 1. The agent. 2. The company. 3. The insurance department.

"Any system that benefits one or two of these interested parties and does not benefit them all cannot be wholly desirable. If the system reacts to the benefit of the agents, it may react to the disadvantage of the insurance company or the insurance department. The use of a uniform card system throughout all insurance departments would, in my opinion, be a benefit to everyone concerned. The use of a uniform qualification form required from agents would, in my opinion, be of benefit to all. The ideal condition would be the combination of a uniform card system and a uniform method of qualification procedure.

Should Study the System

"Some insurance departments might inaugurate a system that would appear to be greatly desirable from almost every standpoint, but there may be some condition in connection with the procedure that would necessitate unnecessary and burdensome accounting work in the home office of the company, as, for instance, a system which requires that an individual check accompany each individual appointment instead of making one check covering the fees involved in a group of appointments.

general curve. The mechanization of industry could not do this, for it is a relatively slow process and has been prominent only in later years. A breakdown of the safety movement could not do it, for it is also incapable of taking place suddenly.

"What we are dealing with here is evidently a cause more powerful, farther reaching and more capable of sudden change and reversal. General economic prosperity seems to be the only answer. As business gets better, accidents increase; as business gets worse, people become more careful and expose them-

Each check represents the preparation of a voucher and the consequent book-keeping detail from the time of the inception of the voucher to the time of its final filing in the permanent records of the company. A large company making a large number of appointments is placed to the additional expense of this additional accounting work when that expense does not appear justified or necessary.

Qualification Blanks

"The matter of qualification blanks is one that varies considerably in different states where qualification requirements are in effect. Some states require a different qualification blank for different classifications of companies. This raises the question as to the desirability of such procedure. Is it necessary—or is it desirable—that agents applying for licenses should be compelled to complete a form of questionnaire almost identical for different classes of companies? Why shouldn't one questionnaire form with certain pertinent questions apply for any class of company? The National Association of Real Estate Boards has just prepared standard appraisal forms.

Standard Not Raised

"Some departments require the preparation of a qualification form every 12 months in order that renewal of license may be secured. Is such procedure necessary? Does such procedure raise the standard of qualification? Primarily, that, in my opinion, is the reason for qualification forms and qualification laws, viz., to raise the standard of qualification. It does not appear desirable nor does it appear necessary that agents should every 12 months complete a qualification form unless: 1. The agent has changed address. 2. A radical change has occurred in the agency connection. 3. A lapse has occurred in the license of the agent. 4. Special information is required by the insurance department.

Took Important Step

"In my opinion, the insurance commissioners took a most important step when a committee was appointed to consider this matter—to gather data in connection therewith—to act as a sort of clearing house for information on the subject in order that the committee might be in a position to offer to any insurance department contemplating a change in its requirements or contemplating the inauguration of a new system of qualification—the benefit of the committee research work gathered from all departments. The committee would have the viewpoint of the agent, the viewpoint of the company and of the insurance department, and could offer to the individual insurance department concrete, definite recommendations which, I am sure, would be most valuable and most useful.

"This association has been, and no doubt will be in the future, confronted with many problems, some seemingly unsurmountable. The solution of many of these problems has been reached, not by the application of individual, local ideas, but by that broad-gauged, nationwide attitude of working together for the good of all concerned."

selves less to hazardous conditions. In the industrial plant the latter situation is intensified by 'selective discharge,' while better business brings in new men and puts all men and all equipment under higher pressure for production.

"What can we do to accelerate the falling accident trend and, especially, how can we decrease industrial accidents of the general trend of which we know practically nothing? Realizing the broadness of the industrial field, what is the logical point of attack?

"Here, insurance experience gives us

(CONTINUED ON PAGE 55)

HOBBS EXPLAINS PLAN OF STOCK CARRIERS

Points Out Features of Proposal for Workmen's Compensation Insurance

CASE IS FAIRLY PUT

Some Inequities Are Seen in Some Parts of the Present Procedure in Rating

Clarence W. Hobbs, who is the representative of the National Convention of Insurance Commissioners in the National Council on Compensation Insurance, in his report to the Cincinnati meeting of the commissioners reviewed the proposed new rating policy of the stock carriers. He stated that the stock companies found the compensation business not only unprofitable but declared that under the present method of rating it would always be so. The cruxes of the difficulty appeared to be these: In the first place the loss varies not only by classifications but also by size of risks. In New York and Massachusetts the variation is very pronounced, the figures indicating that loss ratios on risks under \$400 premium may be as much as 20 percent higher than the average loss ratio of the risks above that figure. The loss ratio declines as the risk increases in size.

Difference Is Seen

The size of the risk is not evenly distributed between the stock and non-stock carriers. Owing to the different methods of solicitation the great volume of small risks goes to the stock carriers. The non-stock companies aim for the larger risks. More than 90 percent of the risks under \$400 premium go to the stock carriers. If this loss ratio exists generally, Mr. Hobbs said, it is obvious that an average loss ratio on the business as a whole must operate to the prejudice of the stock carriers. In other states the difference in loss ratio between large and small risks is not so marked. This difference in loss ratio between the two classes of risks is given as the cause of the off-balance of the experience rating plan. In New Jersey where the loss ratio between large and small risks is less evident, the experience rating plan has come nearer to balancing.

Expense Loading Proposal

In the second place, Mr. Hobbs called attention to the expense loading. The acquisition cost and taxes are actually a percentage of the premium. When it comes to office expense, inspections, audits and to some extent the settlement of claims, the actual expense is no longer a proportion of the premium. It costs approximately the same to write a policy and put it through the books if it is for \$100 or \$100,000 premium. It costs a certain amount to make an audit or an inspection regardless of size. The present constants, which are usually \$8, but in New York \$10, were computed some years ago, since which time all costs have increased. The average expense loading, Mr. Hobbs said, corresponds fairly closely to the average expense ratio of stock companies but is higher than justice warrants for the large risks and lower than is required for the small.

Say New Plan Is Necessary

The stock companies declare there must be a different line of dealing with expense loading. Mr. Hobbs said there is merit in the contention of the stock carriers. They did not appear, however, to be willing to cut down the expense



CONDENSED FINANCIAL STATEMENT

CENTRAL SURETY AND INSURANCE CORPORATION

As Filed with U. S. Treasury Department

As of June 30th, 1927.

The Central Surety was one year old June 30th, 1927

It is licensed in 40 states, the District of Columbia, and with the Federal Government.

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Fred W. Fleming
President

Dennis Hudson
Vice President
and Agency Mgr.

ASSETS

Mortgage Loans on Real Estate (not over fifty percent appraised value)	\$ 295,406.40
Bonds	799,605.98
Premiums in Process of Collection (not over 90 days old)	520,577.81
Cash in Office and Banks	485,855.69
Accrued Interest on Investments	19,241.50
Other Admitted Assets	5,460.56
Total	\$2,126,147.94

LIABILITIES

Reserve for Unearned Premiums	\$ 730,086.57
Reserve for Losses (excluding Schedule "P")	\$ 35,232.04
Reserve for Compensation and Liability Losses (Schedule "P")	135,864.70
	171,096.74
Reserve for Commissions	143,725.09
Reserve for Taxes and Other Items Payable	52,836.14
Reserve for Reinsurance	7,052.58
Total Reserves	\$1,104,797.12
Capital	\$500,000.00
Surplus	521,350.82
Capital and Surplus	\$1,021,350.82
Total	\$2,126,147.94

Total Admitted Assets	\$2,126,147.94
Subscription Notes (Unadmitted)	\$102,519.68
Other Assets Not Admitted (excluding furniture, fixtures and supplies, charged off in full)	24,917.30
	127,436.98
Gross Assets	\$2,253,584.92

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loading to an amount sufficient to counter balance the gain resulting from the policy fee. Mr. Hobbs asserted that while the profits thus derived might or might not have been in excess of a fair underwriting profit, he felt that the question of underwriting profit should be taken up separately and not confused with the matter of an adjustment of the expense loading. A program has been submitted to the New York Compensation Inspection Rating Board and is now before the New York insurance superintendent.

Will Make Groupings

The program submitted by the stock companies proposes to group separately all risks under \$400 annual premium and all risks over that amount and determine a rate level for each group on its own experience. In New York this would result in a rate level in the first group about 20 percent higher than the second. Risks in the second group are to be divided into sub-groups according to size. The object of this procedure is to give a flat manual rate for small risks fairly close to the actual indications of those risks and bring the rates on the larger risks down close to the indications of the several premium groups to which they belong.

Would Have a Policy Fee

Compensation rates are now loaded 40 percent for expenses. The proposal is to determine the amount which represents the minimum cost of writing, auditing and administering a policy and place this as a flat charge on each policy. The flat charge proposed is \$12. The expense loading recommended is 37.5 percent. The intent is to preserve the status quo and deduct from the expense loading an amount exactly equivalent to the gain realized by applying the flat \$12 fee to all policies.

Loading for Profit

It is proposed to add to the rates a factor to serve as a profit loading or safety margin, the amount asked being 2.5 percent. This proposal is based on two grounds: First, that the carriers are entitled to a reasonable underwriting profit and secondly that the violent fluctuation in compensation loss ratios encountered in the past renders such a loading necessary for a safety margin.

It is proposed that experience rating be modified to give less effect to the older experience and a greater effect to the later. This is on the theory that the older experience is less indicative of present-day conditions than the later.

Effect of Small Risks

Mr. Hobbs stated that if the difference in loss ratio by size of risks is substantial, as it is known to be in some states, it is very apparent that a flat manual rate will be disastrous to a company which writes a large proportion of small risks. The only recourse is to decline to write them. On the other hand, Mr. Hobbs stated, the flat rate is much too large for the larger risks even allowing for the effect of the experience rating plan, so they can hardly afford to buy stock insurance and may find it cheaper to self-insure than to buy participating insurance. Mr. Hobbs said that equity demands that each risk bear its just portion of the insurance burden. A system which loads on to one class of risks a part of the burden of another class is not only unjust but is apt in the end to increase largely the number of uninsured risks.

Comment by Hobbs

Mr. Hobbs said that up to date the statistics compiled as shown in the loss ratio between the large and small risks do not appear to be exhaustive. Nevertheless, in practically all states, the stock companies have during the past year been inclined to cut down on their writings of small risks.

Mr. Hobbs stated that the present method of loading for expenses is strikingly unjust to the larger risks and has been one notable factor in driving them into the field of self-insurance. With regard to the size of the flat charge,

Mr. Hobbs' opinion is that the amount proposed is not unreasonable although the calculation of the elements of costs involves so many apportionments of expense items that the accuracy of the calculation is only approximate. He said there should of course be a proper reduction of the expense loading so as to make the total amount levied for expenses correspond to the actual expenses of stock companies.

Debatable Points

Mr. Hobbs declares that the inclusion of profit loading or safety margin is something that insurance carriers are entitled to as a legal proposition. What constitutes a reasonable underwriting profit and how it shall be arrived at, he said, are matters distinctly debatable. The Insurance Commissioners Convention has approved a 5 percent underwriting profit for fire companies.

Mr. Hobbs states that the proposal to modify the experience rating plan giving an increased effect to later experience appears entirely sound and equitable. In concluding his report, Mr. Hobbs says:

"There can be no question about the situation with regard to the stock companies. They have for a series of years incurred extensive losses on their compensation business, and this, affecting as it does three-fourths of the business, is a serious matter.

Clear Cut Partisan Alignment

"It is a serious matter also that with regard to the suggested remedies there is a strong and clear-cut partisan alignment. While this is very natural, assuming that the present situation is to the advantage of the non-stock and to the prejudice of their competitors, the commissioners must be aware that a situation under which one-fourth of the business profits at the expense of three-fourths of the business, is neither just nor healthy. It is resulting at present in a substantial proportion of the small risk business going adrift seeking cover. It is also provoking a widespread dissatisfaction with the present situation. The two groups of carriers are some distance away from recognizing as they should that their interests in this matter are common, and that a situation which works to the prejudice of one group will in the end affect the other groups as well. The two groups are equal partners in the rating organizations so far as voting rights go.

Must be Equitable Arrangement

"The partnership can not proceed on the basis that one group take all the profits and the other group all the losses. Hence, if there is a real defect in the rating method it should be corrected. And unless a single rating method can be devised which produces satisfactory results to both groups of carriers, ultimately each group must pursue its own course and use a rating method suitable to its plan of doing business."

Plan Quebec Convention

The Commercial Casualty of Newark will hold its annual agency convention at the Hotel Frontenac in Quebec, Oct. 10-12. The company has invited its leading agents from all parts of the country to attend.

Is Admitted to Virginia

The American Mine Owners Casualty Corporation recently formed to take over the coal mine business of the Metropolitan Casualty, has been admitted to Virginia to write compensation insurance on coal mines. It will have principal office at Norton with E. W. Kelley in charge.

Donohue Is Agency Manager

The Republic Casualty of Pittsburgh announces the appointment of J. Ray Donohue as agency manager, succeeding W. H. Davis who resigned as of Oct. 1. Mr. Donohue has had both general and local agency experience, having been in the casualty business for the past eight years.

Surety Opportunities

THERE are no laws requiring a man to carry life, fire or accident and health insurance. Neither are there any ordinances which compel firms or individuals to purchase insurance protection against rain, hail storms, floods, boiler explosions, windstorms and other similar catastrophes. The demand for all of these forms of insurance has to be **created**.

The situation is different in the surety business. Many of the bonds written by surety companies are required by law. For example, contractors on all government work and most state and municipal projects are required to furnish satisfactory surety bonds. Bonds are also required from all governmental appointees.

Most public officials such as treasurers (state, county and municipal) tax collectors, etc., are required to file bond. The courts of most states require the administrator, executor, or trustee of an estate to file a suitable bond. Bonds are also generally required in all legal proceedings such as attachment, garnishment, replevin, etc.

This brief outline indicates only a few of the numerous income-increasing opportunities open for the representatives of a strong and widely-known surety company, such as the F & D — a "friendly" company which cooperates with its representatives in every possible way.

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WORKMEN'S COMPENSATION

USE NEW INSURANCE FEATURE

Group Life and Group Disability Replacing Compensation in Some Kansas Risks

TOPEKA, KAN., Oct. 5.—A new development in workmen's compensation protection is just coming into operation in Kansas. The compensation division of the Kansas public service commission has announced its approval of the plan but there is considerable doubt as to whether the plan will work. Some of the small coal mine operators whose rates for compensation insurance were rather high worked out the plan. If it is successful the plan is likely to become quite general among small employers, as it actually works to reduce their insurance costs, and if it provides adequate protection to the employees the state is preparing to accept the plan.

The coal mine operators are taking out group insurance for all their employees. They take out life insurance up to the limit of the plan, which would pay \$3,800 to the employee, and they also take out accident insurance for approximately the average wages of the employees. Then they buy catastrophe insurance as general protection. The plan, as it appears on paper, enables the small coal operators to secure insurance for approximately 80 percent of the prospective compensation liability. Then they go before the commission

and submit these life, accident and catastrophe insurance policies and seek authority to operate under the self-insurer sections of the compensation law. The commission has formally approved a few of these contracts and is watching the operation quite intently to see how it works out.

The three forms of insurance which the coal operators secure costs them approximately one-half the rate for straight compensation insurance at the present schedule. The difference is so great that the employers feel that they can afford to pay the 20 percent not covered by the group policies and thus give their employees the same protection as if full compensation coverage were placed.

The plan seems to provide an interesting experiment in protecting the workman in a particularly dangerous industry. If it works in that industry there are many other employers who will seek to change the plan of their insurance to the cheaper form, and the approval of the commission may be expected so long as the workmen are protected and fully paid as the law contemplates.

Beha Files Supporting Brief

NEW YORK, Oct. 5.—A brief amicus curiae has been filed by Clarence C. Fowler, on behalf of Superintendent James A. Beha of the New York insurance department and the Compensation Inspection Rating Board, in the litigation

between the Independence Indemnity and the Albert A. Volk Company, involving the application of the compensation rating schedule. In the brief just filed with the court it is pointed out that a policyholder cannot avoid payment of the full premium on his compensation policy merely for the reason that he cancelled the policy prior to notification of the increased rate, where the rates had been promulgated sometime before the cancellation date of the policy. The promulgation of the rate is the effective date and not the policy cancellation date.

Kansas Rehearing Oct. 10

TOPEKA, KAN., Oct. 4.—The rehearing before the Kansas department on workmen's compensation rates is set for Oct. 10 and the companies have filed some of the statistical material they will use in the hearing. The information is being forwarded to employers and is being checked by the actuaries of the department this week.

When the new compensation law went into effect the companies proposed a heavy increase in rates. This was denied by the commissioner and an actual cut in rates from those in effect at the time was ordered. The companies then sought a rehearing which was authorized for early in September but has been postponed for various reasons.

Explains New Act

SAN FRANCISCO, Oct. 5.—Warren H. Pillsbury, deputy commissioner for the 13th district for the administration of the federal longshoremen's and harbor workers' compensation act, was the principal speaker today before the marine study section of the Association of Marine Underwriters of San Francisco. Mr. Pillsbury explained the application and workings of the new act.

ACCIDENT AND HEALTH

SAY TIME IS NOT YET RIPE

Movement to Get the Industrial Companies to Establish Separate Association Fails

The committee appointed at the time the Insurance Advertising Conference met in Hartford to canvass the desirability of organizing an association composed of industrial companies, life, accident and health, finds that there is not sufficient interest in the movement to warrant the calling of a general conference. It so happened that in Hartford attending the Advertising Conference were some industrial company men who felt that the existing organizations did not take up their problems. The questions confronting industrial companies are different in some respects from those engaging the attention of others. The industrial people felt therefore that if they had a separate organization their cause would be far more acceptably handled. They believe that an interchange of news and practices would be decidedly helpful.

The committee took up the matter with the leading industrial company and found that the time is not ripe for a separate organization. The Industrial Insurers' Conference is already organized, composed of companies writing industrial accident and health insurance. There has been some agitation to establish an industrial life section in connection with the American Life Convention. While there is some favorable sentiment in that direction, it is hardly likely that anything will be done at the forthcoming annual meeting in Dallas.

COMPANY IS NOW EXPANDING

Washington Fidelity National Rearranges Territorial Grouping—Take Over Continental's Business

The Washington Fidelity National of Chicago has rearranged its territorial grouping, adding a new territory in the middle west under the direction of Vice-President Zachary T. Miller. This new territory comprises Illinois, northern Indiana, Missouri, Kansas, Oklahoma, Nebraska, Iowa, Wisconsin and Minnesota. Some of this territory comes from each of the former eastern, central, and southern divisions. The western division, in charge of Vice-President L. B. Hoge, remains unchanged.

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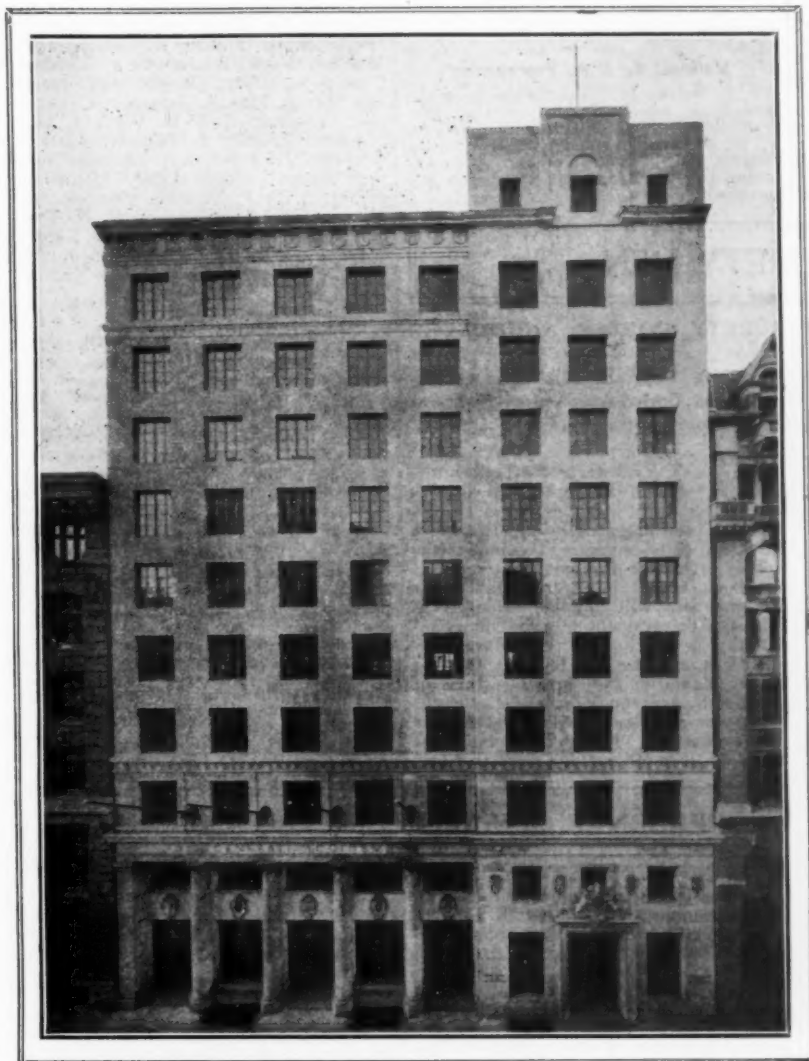
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PHILADELPHIA

Vice-President Charles B. Crawford is in charge of the southern division, Vice-President Curtis P. Kendall of the central division and Vice-President J. J. Krist of the eastern division.

Arrangements have been completed with the Continental Life of St. Louis according to which the Washington Fidelity National takes over its accident and health business located in the Pacific northwest. It is principally monthly and quarterly premium payment business. The deal will not only add about \$200,000 to the annual premium income of the Washington Fidelity National, but it will also materially increase its already large agency force in that territory. This new business will be handled through the Pacific Coast branch office of the Washington Fidelity National located in San Francisco.

Sentinel Life Convention

The first convention of the Sentinel Minute Men, agency organization of the Sentinel Life of Kansas City, will be

held at the home office Jan. 9-10. Membership will be based on production between Oct. 1 and Dec. 31, 1927, quotas being set for each agent by the home office.

Launch Three-Month Contest

The London Guarantee & Accident this week launched a three months campaign for accident and health business, the "second full family A1 tournament." This features the company's A1 disability policy, though all disability forms will be included in the contest. The first contest of this nature was held in October, November and December of last year and resulted in a record total of business.

National L. & A. Promotions

P. E. Wilcox of Nashville has been appointed a superintendent in that district for the National Life & Accident. F. H. Babbitt, formerly of the Dallas district, has been promoted to a superintendency in Beaumont, Tex., for the company.

AMONG SURETY MEN

DEPOSIT SCHEME PROTESTED

President E. A. St. John of National Surety Points Out Dangers of New York City Proposal

E. A. St. John, president of the National Surety, has sent to the mayor and board of estimates of New York a letter of protest against the city's proposal that contractors on city work be allowed to deposit 5 percent collateral in lieu of a surety bond. In pointing out the danger inherent in the proposal Mr. St. John said, in part:

"It would be an easy matter, generally speaking, for contractors so disposed to borrow 5 percent in cash or securities, deposit it with the city and then get it out of their payment for the early part of the work and pay back to the lender, leaving the city in a serious dilemma in the event of default.

"We believe the suggested deposit of cash or securities is unfair to the reliable but not so wealthy contractor, in that the withdrawal of such amount of cash or securities from its active use in financing and performing contracts might make it necessary for such reliable, able and experienced contractors to obtain silent or general partners for the purpose of raising additional funds and pay such partners a large part of the actual profit on the work just to act in qualifying them with the city.

"All experienced surety underwriters agree that to require the average contractor to put up collateral out of his assets on contract bonds is bad policy for the surety, unless such security can be obtained without crippling the contractor's financial condition. Surety companies, as indicated, usually prefer not to take collateral from contractors for the reason that it depletes their resources and might hamper the work by leaving them without adequate quick assets. It is obvious that to take 5 percent or more in cash, or its equivalent, from the assets of the average good contractor is likely to cause financial damage."

Anderson Made Vice-President

Hale Anderson, for a number of years past head of the fidelity and surety department of the Fidelity & Casualty, and an employee of the company since 1905, has been appointed a vice-president, an advancement worthily attained. Harry J. Odams, who has been in charge of the contract bond underwriting in the bonding department of the Fidelity & Casualty for a considerable time, resigned as of Oct. 1 to assume a connection with a recently formed surety company. He is succeeded by C. P. Godley, his former chief assistant.

SURETY COURSE ANNOUNCED

Attractive Program of Addresses Arranged Under Auspices of Insurance Society of New York

NEW YORK, Oct. 5.—Under the auspices of the Insurance Society of New York a first year course in suretyship has been prepared by the Insurance Institute of America. To make the course attractive the cost to members has been made purely nominal, while non-members will pay \$8. George E. Hayes, vice-president of the Union Indemnity, is chairman of the lecture committee. The first of the lectures, treating of the definition and early history of suretyship, will be delivered by E. C. Lunt, vice-president of the Great American Indemnity. Other subjects to be taken up in order, include classifications,

field organization, production-fidelity bonds, production-bankers and brokers blanket bonds, production-public official bonds, production-contract bonds, production-depository bonds, production-fiduciary bonds, production-forgery bonds, production-other classes of bonds, mortgage bond guaranties, and premiums and rates.

Those who will speak on these topics in addition to Mr. Lunt, are Martin W. Lewis, assistant manager Towner Rating Bureau; Hale Anderson, vice-president Fidelity & Casualty; E. M. Allen, vice-president National Surety; Harry T. Huff, vice-president National Surety; Kenneth H. Wood, assistant manager United States Fidelity & Guaranty; W. MacRae Ford, Standard Accident; Charles E. Millen, vice-president American Surety; Max A. Jameson, Commercial Casualty; Paul L. Wellner, vice-president Fidelity & Deposit; John A. Cochran, vice-president National Surety; Thomas Meadowcroft, Union Indemnity; W. P. Stanton, vice-president Metropolitan Casualty, and R. H. Towner, head of the Towner Rating Bureau.

Classes will be held weekly beginning Oct. 27, in the rooms of the National Board of Fire Underwriters.

Surety Golf Tournament

The Surety Underwriters Association of Chicago held its last outing of the season on Tuesday of this week. The affair was a golf tournament in which a large crowd of Chicago surety men participated.

Will Report on Safety Devices

NEW YORK, Oct. 4.—Having looked into the merits of practically every check marking machine and safety paper manufactured in the country, the special committee of the Surety Association of America, of which E. C. Lunt of the Great American Indemnity is chairman and George E. Hayes of the Union Indemnity and Wilmot Smith of the Aetna Casualty, associate members, will now prepare a schedule of credits to be allowed in forgery bond rates in accord with their idea of the effectiveness of the different safety devices. This effort, it is anticipated, will be concluded at a meeting to be held here this week.

PERSONAL GLIMPSES OF CASUALTY MEN

Charles M. Adams, agency director of the Massachusetts Accident of Boston, has been very ill for the past six months and has been unable to be at his office.

H. P. Jackson, president and general manager of the Norwich Union Indemnity, and S. F. Norwood, recently appointed manager of the company's Pacific Coast department, will leave New York for San Francisco Oct. 12, stopping en route in Chicago and Milwaukee. President Jackson will stop in San Francisco long enough to see Mr. Norwood settled in his new post and his business-getting campaign outlined, after which he will go to Los Angeles, returning thence to the east. Just how long Mr. Jackson will be away from his office it is impossible to predict. He is a rapid traveler and a fast worker and has no sympathy with time wasting.

James S. Mossgrave, 59, for a number of years resident vice-president of the American Surety at Columbus, O., died at his home in that city a few days ago after a long illness. He had suffered a nervous breakdown. At one time Mr. Mossgrave was city editor of the "Ohio State Journal."

In compliment to Frederic G. Noxsel, president of the Insurance Federation of the State of New York, October has been designated "Noxsel Month," during which period an intensive effort will be made to increase the membership of the organization. A monopolistic workmen's compensation fund is an ever present menace in the Empire State and just now a determined effort is being put forth by reciprocals to corral the

automobile insurance business. To defeat these and other tendencies which threaten established underwriting practice calls for constant vigilance on the part of company men, agents and brokers.

Kenneth Spencer, vice-president of the Globe Indemnity, was greatly exercised when word reached Newark of the St. Louis cyclone, as his father, Thomas E. Spencer, is assistant superintendent of schools in the stricken city. A reassuring wire, telling of the safety of the elder Mr. Spencer, however, was received later. It developed that the latter was in his office in the Central high school, when the storm struck St. Louis, the school building being directly in its path. Mr. Spencer aided in getting the pupils out of the school into a nearby theater without one being injured though all were badly frightened.

A. Yavitz of the St. Louis branch of the Missouri State Life has the distinction of qualifying for the company's Quarter Million Club in all three of the company's lines, life, accident and health and group insurance. He reached the needed quota in less than eight months' time.

Mr. Yavitz has been a member of the Quarter Million Club since 1921. He joined the company's agency organization in 1919.

Sept. 26 marked the completion by Allan J. Ferris, vice-president of the Fidelity & Casualty, of 40 years' continuous service with the company. After some years of intelligent effort as a subordinate he was appointed manager of

the plate glass department, subsequently being given charge of the agency division, a post he now holds and to the entire satisfaction of all with whom he has dealings. Upon his recent anniversary Mr. Ferris was presented with a fine traveling kit of toilet articles by his associates in the agency division, while the resident managers remembered him with a traveling bag of latest design.

Charles O. Scull, chairman of the board of the United States Fidelity & Guaranty, died at his home in Baltimore Monday night. He was 75 years old. Mr. Scull had been ill for several weeks, having suffered a severe attack Sept. 1 while on a vacation in Canada, and was brought home in a special car. Mr. Scull was born in Pennsylvania and went to Baltimore as general passenger agent of the Baltimore & Ohio Railroad, where he remained until 1897, when he entered the employ of the United States Fidelity & Guaranty.

His promotion in the railway bonding department of the company came about a year after his employment, and about eight years later, in 1906, he was elected to a full vice-presidency. On the death of John R. Bland, president of the company, in 1922, Mr. Scull was made chairman of the board.

Considered one of the best posted men on finances in Baltimore, Mr. Scull directed all the investments for his company, said to total \$50,000,000.

Dr. Harry W. Dingman, medical director of the Continental Casualty and Continental Assurance, underwent an operation for duodenal ulcer at University hospital, Chicago, last Friday. He had suffered acutely for some weeks, and last week an operation became imperative. He is reported entirely out of danger and recuperating uneventfully.

Important Topics Considered

NEW YORK, Oct. 5.—Matters considered by the governing committee of the burglary department of the National Bureau of Casualty & Surety Underwriters at their sessions here yesterday and today included short term mercantile open stock insurance; revision of the definition of "theft" in California, in view of a recent change in the penal statute of that state; burglary and robbery insurance as affected by the excess blanket bond cover sanctioned by the Surety Association, and the insurance premium tax in Ohio, increased at the last session of the legislature of that state from 2½ to 3 percent.

Practically all of the burglary writing companies of this city complain of a falling off in premiums the past month, though the business as a whole has been on the upgrade since Jan. 1, compared with the returns for the corresponding period of 1926.

Albany Manager Is Host

District agents of the Norwich Union Indemnity reporting to Manager E. W. Cushing of the Albany, N. Y., office were guests of the latter at a series of business sessions recently, later being entertained at a banquet. Home office representatives of the company who were present and participated in the informative discussions, included President H. P. Jackson, Secretary H. L. Kidder and Superintendent of Agents G. E. Morrissey.

Has Hartford Branch Office

The Constitution Indemnity has expanded its Hartford service office into a branch office. L. C. Thompson, New England special agent, is to be in charge of the branch. All Connecticut agents will report through this office.

Withdraws 50/50 Policy

The Bartholomay-Darling Company, general agents of the Indemnity of North America at Chicago, announce the withdrawal of the 50-50 plate glass policy. It is stated the reason for the withdrawal is that there was a general misunderstanding of the contract.

NEED FOR PERSONAL RESPONSIBILITY CITED

TALKS ON SURETY BUSINESS

President Miller of Fidelity & Deposit Urges More Stable Basis for Operations

WHITE SULPHUR SPRINGS, Oct. 5.—The importance of personal responsibility in corporate suretyship, or the part of both agent and company, was stressed by C. R. Miller, president of the Fidelity & Deposit, in his address before the joint casualty convention here yesterday. Mr. Miller said, in part:

"Corporate suretyship is a real, live, aggressive and essential factor in the financial, commercial and industrial fabric of our great country. It is in this vast labyrinth with its devious ways, its complicated windings and its frequent deceptive directions that we must work out our problems, perform our



C. R. MILLER
President Fidelity & Deposit

duties, discharge our obligations, and the kind of impress we make upon our special sphere of activity is largely dependent upon the extent to which we are actuated and controlled by an enlightened sense of personal responsibility. The vital principle in the success of every legitimate enterprise is personal responsibility — personal responsibility felt by the executive, personal responsibility felt by the entire organization, home and field, and personal responsibility of those who constitute the hazards or risks taken.

Bluntness Is Regretted

"Every executive should realize the heavy responsibility resting upon him to so conduct his company as to deal fairly with the insuring public, justly with his field force and equitably towards his competitors. It is to be regretted that there exists a marked bluntness in our sense of personal responsibility for competitive methods. This is not the time nor the place to discuss executive remissness in this respect. This much I will say: If executives impelled by the spirit of true sportsmanship should agree to observe rules which placed all companies as far as possible upon an equal basis, many of our difficulties would be overcome.

Self-Interest Fundamental

"You cannot keep self-interest out of business, as it is the moving, inspiring force back of every activity, but when that self-interest is subverted by methods contrary to the rules of the game, by a reduction of rate in violation of good faith, by secret increased coverage on standard bonds contrary to

agreement, by the underhand payment of commissions to employees of obligees to secure business thus suggesting and encouraging rebating, by entering into contracts under circumstances which give an unfair advantage, and by other means denounced as improper, then someone is falling short of measuring up to the standard of responsibility due to competitors. It does not require a great deal of brain power, it does not require much executive sagacity or organizing ability to pick off business at rates or methods or both when it is reasonably certain there will be little or no competition. The true test of a company's strength lies in its willingness to throw down the gauntlet to its competitors and challenge them to combat upon equal terms.

Uniformity Is Needed

"For some years I have felt that executives to bring about equitable competitive conditions must put in force a general standardization of fidelity bonds of every character—uniformity of coverage—uniformity of provisions. A settlement of the rate problem is not a settlement when every company is free to offer just a little larger coverage or more liberal provisions than competitors. This particular uniformity has a significance much broader and much more important than as a regulation of fair competition. Rates are presumably based upon the combined experience of the companies and that experience is wholly unreliable unless the hazards from which this experience arises are the same. The rate situation is the keystone in the arch of our safety and every element therein that is untrustworthy should be corrected. Fire companies and casualty companies have uniformity and the same practice should apply to our fidelity business.

Cooperation Is Needed

"There has been just a little too much crimination and recrimination between agents and companies and between agents' associations and companies' associations. The sole responsibility does not rest upon either—it requires joint action and joint cooperation in order to accomplish proper ethical competitive conditions.

"It has been charged that executives and perhaps that associations controlled by executives have been actuated by too much selfishness. I am not offering any defense of the attitude which may have been taken by some executives, but I am saying that the agents and the agents' associations are not entirely free from the charge of being actuated by selfishness."

MARYLAND'S COMPULSORY LAW COMMISSION NAMED

BALTIMORE, Oct. 5.—In accordance with the resolution passed at the last session of the state legislature Governor Ritchie has appointed a commission to investigate and make a report on a compulsory automobile insurance law for Maryland.

Several bills for compulsory automobile insurance were introduced at the last session of the general assembly, but all were defeated. The resolution, providing that the problem be investigated "from the standpoint of the prevention of such accidents, from the standpoint of accident prevention in general, and from the standpoint of the feasibility of a legislative remedy," then was passed. The findings of the commission will be reported to Governor Ritchie and the general assembly of 1929.

Joseph F. Matthai, vice-president of the United States Fidelity & Guaranty in charge of the automobile department, and Carville D. Benson, insurance commissioner, represent the insurance interests while the other members of the commission are: Vincent Jamison, representing the motor vehicle department; Wallace W. Lanahan, representing the county motorists; Leon Coblenz, representing the city motorists; Police

Commissioner Charles D. Gaither, representing the non-motor-vehicle-owning public; C. Harry Reeves, representing the automobile industry; W. W. Cloud, representing the Baltimore Safety Council, and Joseph C. France, representing the governor.

U. S. F. & G. Declares Extra Dividend

BALTIMORE, Oct. 5.—Directors of the United States Fidelity & Guaranty have voted an extra dividend of 2 percent, or \$1 a share, in addition to the regular quarterly dividend of 4½ percent, or \$2.25 per share. This makes a total dividend of \$10 per share for the year.

While the same extra dividend was declared by the company last year, it is pointed out that it was paid on 120,000 shares of stock, while this year it will be paid on 150,000 shares. The past year 30,000 shares were issued.

This will involve a disbursement of around \$487,000 in dividends this quarter, or \$1,500,000 paid stockholders for the entire year.

While no statement was given out it is understood that excellent earnings of the company reported for the first half of the year are being maintained.

Holds Up New Rates

The Wisconsin compensation insurance board has withheld the rate advance of 1.9 percent intended to absorb the increased cost of benefits under the recent amendment to the compensation law. No reason was given.

Raps "Ambulance Chasers"

NEW YORK, Oct. 5.—Ambulance chasing lawyers came in for a round scoring by Edward J. Byrne, president of the Brooklyn Bar Association, the other day, in the course of which he held it to be thoroughly disreputable "to breed litigation by seeking out those with claims for personal injuries or those having other grounds for action in order to secure them as clients, or to employ agents or runners for like purposes, or to pay or reward, directly or indirectly, those who bring or influence the bringing of such cases to his office, or to remunerate policemen, court or prison officials, physicians, hospital attaches or others who may succeed under the guise of giving disinterested friendly advice, in influencing the criminal, the sick and the injured, the ignorant or others to seek his professional services." Mr. Byrne would have the reputable lawyers of the state conduct an energetic campaign to abolish the reprehensible practice of "ambulance chasing," promising his hearty support to such a movement.

Has Sales Course

The Travelers has prepared an educational sales course entitled, "Selling Casualty Insurance," which it is offering its agents throughout the country. It will consider all classes of casualty insurance, the first completed unit being that on burglary.

SPECIAL AGENTS ARE NAMED

United States Fidelity & Guaranty Announces the Appointment of a Number of Field Men

The United States Fidelity & Guaranty announces the following special agents:

James H. S. Hall has completed his home office training and is now receiving field experience in Richmond, Va.

F. C. Brannan having completed his home office training is assigned to the Syracuse, N. Y., branch.

Edward B. Scott, Jr., son of the well known local agent at Bowling Green, Ky., is working out of the Louisville office.

Joseph D. Leonard, brother of William J. Leonard of Cincinnati, is connected with the Cincinnati branch.

C. E. Monmonier, of Baltimore, is receiving instruction at Charleston, W. Va.

D. A. Travis has been assigned to the Richmond office.

R. M. Clark has been assigned to the Syracuse office.

F. P. Gotter, a native of St. Louis, is attached to the office there.

G. F. Disney is working at the Cleveland office.

ACQUISITION COST WAR ASSUMES NEW ANGLE

"PASSING THE BUCK" IS SEEN

Temporary Committee Formed in Chicago—Permanent Group to Meet with National Body to Be Established

R. W. Cline, superintendent of the bonding department of the Aetna Casualty & Surety, Chicago; W. H. Hansmann, manager of the Illinois department of the Fidelity & Deposit, and G. H. Fox of the Chicago office of the New Amsterdam were appointed late last week as a temporary committee which this week will appoint a permanent committee of seven to meet with the national committee on acquisition cost of fidelity and surety business.

Formation of these committees grows out of company executives in the east urging the Chicago managers to take some steps to enforce acquisition cost rules in Cook county. The situation has complications, however, and none of the Chicago representatives is sanguine about the managers' ability to make the rules effective. Competition is keen, and the companies themselves, according to western department heads, are suspicious of one another and are not cooperating to the limit on acquisition.

Commission Cut Suggested

One western department head said he is favorable to a radical slash in commissions as a way out of the high-cost slough, a cut that would bring the maximum down to 15 percent. He said the whole problem boils down to this, that there are too many companies for the amount of business available nationally. And so far as Illinois is concerned, he said:

"Here are the acquisition cost rules. They say we are allowed six general agencies, six district, and an unlimited number of 20 percent agencies. Then this happens: A company representative out here in the west finds he has only one or two general agents. He either boosts his own district offices up to general agency status—with more money for same—or grabs some of those belonging to some other company and boosts them up to general agents. All this regardless of the fact that these new appointees may not produce a bit more business after the appointment than before and may have been well satisfied with what they were being paid before.

Big Producers Scarce

"Suppose 40 companies. Six times that is 240 general agents for Illinois. Six times the 40 is 240 district agencies. For my part, I do not believe there are 480 big producers of fidelity and surety business in Illinois.

"Where does a manager out here stand? His company back east gives him his orders regarding how and for how much business shall be obtained. Either the manager obeys his instructions or he is taking a chance on his position. Therefore the matter goes back to the companies and their dealings with each other, their relation with the field and the observance or lack of observance of the rules. And when all that is said, there are still the non-conference companies."

View Seems General

This view of the matter seems fairly general, as another superintendent said: "This is a company proposition, not a matter for solution out here. The companies are 'passing the buck.' And I suppose we shall have to pass it back to them. We receive orders from the east. If I were to go counter to mine for about two weeks, I would not be permitted to remain in this office."

A square deal—regardless of cost.

Both to agents and the assured.

Big men at the helm of the Republic, who realize that straight shooting is the only enduring foundation for permanent success.



JOSEPH W. WARD, President and General Manager

**\$1,000 Accident Coverage with Every Automobile Policy
AT NO EXTRA COST!**



Write for
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**THE AMERICAN GUARANTY CO.
COLUMBUS, OHIO**

**AUTOMOBILE INSURANCE
Full Coverage in One Policy
FIDELITY AND SURETY BONDS**

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**OPPORTUNITIES FOR SALESMEN
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209 South La Salle Street, CHICAGO**

**Full Coverage
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HOME OFFICE
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*Some Good Territory is open for Direct
Home Office Reporting Connections*

AMERICAN CASUALTY COMPANY
READING, PENNA.

Incorporated 1902

ASSETS \$3,218,290.89

NEEDS OF CASUALTY BUSINESS REVIEWED

(CONTINUED FROM PAGE 43)

a public need by our service to the public.

"Serious consideration should be given to a well organized and carefully directed plan of public education. That plan should begin with public officials in high places and run through the whole list of public officials, irrespective of their particular relationship to the political unit or sub-division which they serve, and should extend to the very threshold of our citizenry. What this plan should be, or how best to put it into operation may well be a subject for careful thought and consideration by a joint committee representing both the International Association and the National Association of Casualty & Surety Agents. I firmly believe that if we and our business were thoroughly understood by the public at large, there would be very little criticism of us and a great deal of commendation. I realize that a campaign calculated to produce the desired results would require the expenditure of a considerable sum of money necessary to support a substantial organization of unusually intelligent and well informed men. A half-hearted campaign, poorly directed, and lacking the essentials necessary to put it over in a real way would not, in my judgment, be worth while.

Closer Cooperation

"But before we can hope to gain a high degree of confidence and consideration of the public, it is important that we indulge in a little introspection, ascertain our weaknesses and shortcomings and so put our own houses in order that we can stand the searchlight of public opinion without flinching or fear of embarrassing revelations. To that end we must be worthy of the confidence of one another, and having merited it, we must repose confidence in one another. We cannot hope to have the public think better of us than we think of ourselves. So long as we are skeptical or distrustful of each other, or lay ourselves open to criticism in our dealings with one another, we may expect the public to be skeptical and distrustful, and we will rarely be disappointed. The companies should, above all things, stand together when the rights of one or more are invaded. We too often find encouragement of attack on one company by representatives of other companies in order, as they think, to gain a temporary advantage when, as a matter of fact, the very foundation principles of the business are being attacked.

Keeping Faith

"Among the abuses of which we hear a great deal within and among our companies and agents may be mentioned rates, acquisition costs, and the rules applicable thereto, and an occasional suggestion of a violation of the confidence necessarily reposed in tendering or suggesting the cession by one company of reinsurance to another. Agreements are made to be kept. Just as we should keep faith with our public in the full and complete discharge of all obligations to which we are committed by our policies and undertakings, so should we sacredly regard the rights of one another as represented by our agreements whether written or implied. We cannot hope successfully to conduct the business and disregard the rights of one another with respect to rates, acquisition costs, and reinsurance.

"Generally speaking, one of two things is likely to happen, and this applies to the casualty and surety business alike: unless we, as companies, proceed to set our houses in order, with the aid and co-operation of our agents in the field, we may expect a continuation of the agitation now only too much developed for a method or a scheme of government insurance or plan of suretyship or security with respect to public contracting, which may lead to serious damage to and loss of our business. It is not

enough for us to realize that this cannot be safely undertaken by any government agency as we see it now. It may be that we cannot see far enough into the future to realize the possibilities. The history of government ownership of public utilities, so far as it has gone, has not been such as to warrant a high degree of gratification on the part of the backers of this principle, and if applied to the intricacies of insurance and suretyship, I believe that the result would be appalling and would cast a serious burden upon the taxpayers.

"Still we know that once started, with the machinery and the inevitable patronage, however great the evil, it is hard to correct it. You all know that many of the states, at this time, have in some lines state insurance, in whole or in part. In compensation insurance, for example, some of the states, through legally constituted organizations, handle the business to the exclusion of the companies. In others it is optional. While this may not now be regarded as a profitable line, that is beside the question. The point is that it is being handled by the state, instead of by the companies and private capital, where it belongs. There seems to be a tendency in the same direction with respect to automobile insurance. The first step, it seems to me, is the compulsory automobile insurance law. Once a start is made in that direction, no one can tell what it will lead to. During the year 1927, thus far, there have been no less than 75 bills introduced in 29 legislative bodies providing for some form or other of financial responsibility in the operation of motor vehicles.

Depository Bonds

"I do not intend to go into the question of the hazardous lines of business and, indeed, time would not permit of that, but depository bonds deserve special consideration. For years this business has shown a loss in the aggregate. Lately, and during the past year, there has been an improvement. The loss ratio has been influenced, of course, by salvage recoveries on account of losses in previous years. During the first eight months of this year there were, I am informed, nearly 300 bank failures, with liabilities of about \$105,000,000. These, added to the failures of the past six years, bring the total up to something over 3,200 banks in this country, with liabilities in excess of \$1,125,000,000. Most of these failures occurred in states least able to stand them. Some of these states have the state guarantee laws which have not and cannot cure banking ills.

"There is no substitute for good, honest, capable management of banks under proper laws, well administered. I believe the laws in many states are too lax. It is too easy to acquire banking charters and it requires very little money to start a bank. A study of 1876 bank failures in 28 states, selected because of the frequency of failures in those states, showed 778, or more than 41 percent were capitalized at less than \$25,000. Of the entire number 1,553 were small state banks, and 323 were national banks. During 1926 about 50 percent of bank failures occurred in what is now termed the 'middle west,' and if this area be extended south to take in the central southern states, the aggregate rises to about 75 percent of the total. I think here is a fertile field for activity on the part of our companies and this great association of agents."

BIG ATTENDANCE MARK SET AT WHITE SULPHUR (CONTINUED FROM PAGE 42)

previous one, company men particularly being in evidence. Insurance Superintendent Beha of New York, Commissioner Button of Virginia and Director of Trade and Commerce H. U. Bailey of Illinois are present. Unfortunately Monday was a rainy, disagreeable day. The big crowd that expected to test the golf course prior to the tournament had to indulge in indoor sports. But Tuesday was a glorious day and the setting was never more attractive with mountain environment.

SMALL RISKS SHOW HIGHEST LOSS RATIOS

(CONTINUED FROM PAGE 46)

a valuable clue. A large part of the bad compensation experience is from small risks. The data shows that the small risks (on premium basis) are almost twice as bad as the largest risks. Altogether, it looks as if the trouble is with the small risk.

Cases of Reduction Cited

"Everyone knows what real safety work is capable of accomplishing in an industrial plant. Only a few examples are desirable here for emphasis. The Clark Thread Company in Newark, employing 4,000-5,000 people, reduced its injury frequency rate from 18.3 in 1921 to .43 in 1925. It then hung up a record of 265 days without a lost-time accident. A plant of the duPont Company with about 350 employees went seven years with only one lost-time accident and a total accident cost of \$18.

"Such records and much other experience clearly show the safety movement to have taken hold, but in the larger plants and corporations, rather than in the small establishments. There is no reason why the small plant cannot have as good experience as the large; in fact, it ought to be easier to accomplish. Nevertheless, conspicuously good small plant records are hard to find among isolated plants. We do find them in plants operated by large corporations.

Small Plants Inaccessible

"The trouble with the small plant is its relative inaccessibility in respect to visit and inspection, and its management. Part of the latter trouble is inherent. In general, the smaller the plant, the smaller the executive, the slower to change his point of view and the less the resources at his disposal. The other part is not inherent, but merely natural—the belief that he is not having many accidents, even when the plant's record is really bad. In this belief he is sincere, because he does not recall many accidents. He has not had many because his employees are relatively few. Actually, he usually knows neither what his record is nor what it should be, no inspector having enlightened him.

"The small risk unquestionably presents a difficult problem, but it is not insoluble. The actual prevention of accidents is not so much a matter of safeguards and physical changes as it is of individual perception and action. True, there are some physical man-traps in every plant, but they are soon found out and avoided. The dangerous traps are those which individual employees unconsciously contrive for themselves and for others. A plant that is physically unsafe can be safely operated by safe employees, but unsafe employees can ruin a physically perfect plant. It is largely a matter within the control of the individual employee, and the quality of the individual employee is probably as good in the small as in the large plants.

Carriers Have Big Job

"But who starts the managers—especially the managers of small establishments? That, I maintain, is a job for the insurance carriers. The safety movement in time will reach the small plants, but it may be an unconsciously long time. Trade associations and state departments are doing something and will do more, but their effectiveness is not always beyond question. No one type of agency will do it all, but I think the insurance carriers could do infinitely more than at present, separately and by stimulating other organizations."

AS SEEN FROM CHICAGO

(CONTINUED FROM PAGE 19)

ness three months earlier than 44 years ago, almost to the day. Mr. Herrick also started in the Critchell office, but later left to found his own firm. Both

men have important business connections other than insurance.

Bean New Hampshire Director

The New Hampshire Fire announces that Edwin S. Bean, treasurer of the Manchester Savings Bank, has been elected a member of the board of directors of the company. Mr. Bean will also serve on the finance committee, filling the place made vacant by the death of Walter M. Parker.

BIG ATTENDANCE AT BUREAU MEETING FROM EAST, WEST

BRIAR CLIFFE MANOR, N. Y., Oct. 5.—Attendance at the semi-annual meeting of the Western Insurance Bureau, the initial session of which was held this morning, is greater than usual, both as respects members and company officials from the east. While the Chicago situation is on the agenda for review, the confident anticipation is that the subject will be introduced by the executive committee.

Name Association Meeting Date

The annual meeting of the Maine Association of Insurance Agents will be held at the Augusta House, Augusta, Me., Oct. 18. There will be a business meeting in the afternoon at which there will be present speakers from the New England Insurance Exchange and a company representative. The topics of discussion include "Modern Office Systems"; "Collections or Insolvency?" "When Does Advertising Pay?" "Brokerage, Is It Worth It?" There will be a dinner in the evening at which the guest will be Congressman John R. Nelson of Maine.

Prayer a Factor in Compensation

Parke P. Deans, member of the Virginia Industrial Commission, who has been holding a series of compensation hearings in Tidewater Virginia, reports that the efficacy of prayer entered into a case which he heard a few days ago at Portsmouth. E. H. Boush of Gilmerton, an employee of the Richmond Cedar Works, claimed compensation for in-

juries sustained. He told the commissioner he had recently attended a revival meeting in Norfolk where the preacher claimed to cure human ailments by the instrumentality of prayer and that there his pain had left him. Subsequently the pain returned. He believed that this was due to the fact that the prayers had ceased.

Accidents to Window Cleaners

NEW YORK, Oct. 5.—Accidents to window cleaners have occurred with such frequency that members of the

Building Managers & Owners Association of this city, an organization representing property valued at close to \$3,000,000,000, were urged by the chairman of their insurance committee to use unusual care in selecting window cleaning firms and thereby avoid liability in the event of accidents to employees of the latter. It is recommended that contracts be given only to concerns carrying compensation insurance on employees and that the policies be reviewed by competent brokers to see that the coverage is properly drawn and adequate in amount.

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OF NEW YORK

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Has pleased its Agents and Policyholders and steadily grown in financial solidity and in prestige for 40 years.

We write Accident—Health—Auto Liability and Property Damage and Burglary Insurance.

All Agency contracts are direct with Home Office.

Assets exceed \$10,000,000 — Surplus to policyholders \$3,167,830.

We have some territory open that may interest you.



YOU

casualty insurance agents who realize that success in your profession depends to a great degree on the character of the companies you represent and the co-operation given by them in every form of insurance service, will find it to your advantage to investigate the proposition offered by

CENTRAL WEST CASUALTY COMPANY
DETROIT, MICHIGAN

Surplus to Policyholders,
December 31, 1926, \$1,375,069.61

SCRAP ACQUISITION RULES, ASKS BURRAS

(CONTINUED FROM PAGE 41)

and surety business there were rules of the Bureau and Surety Association governing the payment of commissions which companies were supposed to observe. While there were violators, there was no way of legalizing violations. The company indulging in violations was guilty of infringement of these rules, and self respecting companies were generally observing the rules regarding commissions. Since the adoption of the rules providing for a method of legalizing excess commissions, companies which desire to pay excess commissions have destroyed the effect and whatever good may have been gotten out of the rules under this relief provision. It is fair to assume that history will repeat itself in connection with the administration of the acquisition cost rules for fidelity and surety bond business.

Innocent Suffer, Guilty Profit

"When the subject of the acquisition cost and field supervision rules for the casualty business was first broached, it was advocated upon the ground that the business needed a restraining influence to reduce the field acquisition cost of the casualty business. It was contemplated that the rules would accomplish this purpose. It was further contemplated that this reduction in cost would be reflected when made in reduced premiums to the insuring public, and this was the theory upon which a formulation of the rules was undertaken. The operation of the rules as drawn has apparently been exactly opposite, largely because of the relief rule. If a company is allowed eight general agents in Chicago to be paid 30 percent commission, how is that company to keep its top acquisition cost on that business to 30 percent? The effect of these rules has been to legalize excess commissions without correspondingly increasing supervising general agents' commissions to make it possible for the general agent to supervise local agents and break even on the business. The result is, in the last analysis, we who have been innocent of the transgression are punished and those who are guilty do not suffer at all, but actually profit.

Conditions Intolerable

"What is the answer? Almost any condition would be preferable to the present intolerable condition in our business from the general agent's standpoint. Neither the casualty rules nor the surety rules will ever be enforced by local committees or surety associations. If any degree of enforcement is ever brought out of the situation, the company executives must advise their representatives in the field, both branch managers and general agents, that the rules must be adhered to and the agent or branch manager disciplined to the extent of the loss of his franchise if violations are continued.

Scrapping of Rules Warranted

"If the surety acquisition cost rules are administered as the casualty rules have been administered and the relief granted in anywhere near the same degree, the value of the rules from a general agency standpoint is destroyed. Company executives, those interested in the welfare of the business—and the general agent is part of the business—should refuse to continue to operate under the present intolerable condition. These conditions warrant the scrapping of both the casualty and the surety rules and reversion to the rules obtaining before they were thought of. At least some degree of responsibility could then be attached to companies violating their word and some penalty could be provided.

Something Seriously Wrong

"There is something seriously wrong with our business. Everyone must

admit this. The business collectively is not well managed. I believe that the executives of the companies represented by the International Association of Casualty & Surety Underwriters are capable of working out a solution of this problem if they will bury their jealousies, their animosities and their greeds; forget their own personal gains for the moment, sacrifice a portion of the ambition which they have for their company for the good of the business as a whole. I believe that the power to enforce compliance by recalcitrant companies rests firmly in their hands and only in their hands, and that it is time for those who believe that our business is a great profession and is entitled to the orderliness and dignity of conduct pertaining to great professions to see to it that orderliness and dignity of conduct is brought about.

"The National Association of Casualty & Surety Agents has reached the point where in its opinion these rules have demonstrated their insufficiency and their unworkability. Their failure cannot be laid at our door. Nothing that we have done has contributed in any degree to this failure. The truth of the matter is that the rules are wrong, and things that are wrong cannot survive."

ANNUAL MEETING HELD BY NEW JERSEY AGENTS

(CONTINUED FROM PAGE 14)

mentary to Deputy Commissioner Gough of the department for the resolute stand he had taken in enforcing the laws governing insurance, and in driving from the commonwealth fly-by-night concerns, that had been perniciously active the past year, particularly in the attempted sale of automobile insurance coverage. Further action taken was the adoption of a new schedule of membership dues.

Was Lively Session

While a number of subjects of interest to the Jersey men were taken up that of the non-policy writing agent excited the greatest concern, many of the members being emphatic in their denunciation of the practice of such companies as maintained connections of this character. The upshot of the heated talks on the matter was the unanimous adoption of the resolution, which is to be presented forthwith to Secretary Rhoades of the Eastern Underwriters Association.

Considerable attention was also devoted to the automobile situation in the state, particularly in view of the determined efforts being put forth by reciprocals to round up the business, seeking to use as allies in such connection established automobile clubs.

Difficulties Cited

Situated as it is midway between the two great states of New York and Pennsylvania, with the cities of New York and Philadelphia just across either border, the Jersey agents, as one local man expressed it, are "subjected to every known bedevilment in the business" and have constantly to be on guard to maintain an independent existence. Largely through the aggressive work of the association the attempt of the reciprocals to so amend the New Jersey law as to secure entry into the state, was defeated, though by so narrow a margin that it is a foregone conclusion that the effort of the interinsurers will be renewed at the next session of the legislature, and members of the local agents organization have been warned to be upon the alert to meet the anticipated attack, and to promptly and forcefully counter it.

The address of President Godshall was given over very largely to a review of bills considered by the past legislative season; noting with considerable gratification that not one of the several measures hostile to established insurance interests had been adopted, largely because of the educational work of the agents.

The New Jersey association is in a

sound position, its membership of 432 being the largest in the history of the body.

Other Speakers Heard

Following luncheon, members of the organization heard two admirable addresses upon timely subjects, Albert Dodge of Armstrong, Roth & Cady, Buffalo, speaking upon competition in the automobile insurance field, while G. F. Michelbacher, vice-president of the Great American Indemnity, reviewed some of the existing problems in the casualty field of interest to both managers and local agents.

Mr. Dodge has been in the very forefront of the fight against reciprocals and mutuals, who are making a countrywide effort to monopolize the automobile insurance business, and it was largely through his aggression that the Automobile Association of America failed to adopt a carefully planned insurance program at the recent annual gathering of the organization in Philadelphia. As a primary step in meeting the onslaughts of the reciprocals Mr. Dodge urged every agent to secure membership in his home town automobile club, being able thereby to meet all hostile influences from within.

Comments on Compensation

After noting the wonderful growth enjoyed by the casualty and surety business in this country, and offering the opinion that great as it had been, its possibilities had yet scarcely been conceived, Mr. Michelbacher told of the plight into which workmen's compensation business had fallen because of the excessive losses experienced by the companies. Answering the inquiry as to why the companies did not withdraw from a field productive of such heavy and long continued loss, Mr. Michelbacher said in part: "The carriers dare not by their own act provide an argument in favor of the entry of the state into the field of insurance, for who could foretell the lengths to which the state would go if it once embarked upon a program of this character? Take away from private insurance carriers the two departments where the danger of state interference is most acute (workmen's compensation insurance and automobile insurance) and you deprive them of a very large part of their premium income—a deprivation which would require a complete reorganization of the entire business."

NO ACTION TAKEN ON NON-POLICY WRITERS

(CONTINUED FROM PAGE 14)

position upon the ground of vested interest, rather did they content that the non-policy writing agent had his proper place in the business getting scheme, in that he came between the local agent and the broker, soliciting a class of business, such as small dwellings and their contents and modest mercantiles, lines that many brokers and agents will not aggressively seek. A soliciting agent, it was further averred, holding license from a particular company or agency, is under more direct control than is the free lance broker, and experience has proven his business to be distinctly profitable, hence the reluctance of companies that have built up such connections to surrender them. Opponents of the practice, on the other hand, and these constitute a considerable number of companies and local agents almost without an exception, declare that the non-policy writing agent is an encroachment on the business and should be eliminated, his continuance creating a distinct menace to the American agency system, in that the logical outcome of the practice will be branch office at all strategic centers, each with its corps of solicitors.

Chiefly Eastern Problem

In the middle west, non-policy writing agents have long been recognized and have given no particular trouble, according to company executives. They point out, however, that conditions in the east

differ widely from those west of the Ohio, in that in the latter field are many small towns, widely scattered, none yielding sufficient premium income to warrant an agent giving full time to the insurance business or conducting an independent office. The non-policy writing agent surveys a risk getting a good line on its physical characteristics and insurance value, and also checks up the rating of the owner. In short he obtains all essential information for the underwriter, usually a special agent, who passes upon the business and writes the policies. While the non-policy writing agent is to be found in many districts of the east, he is particularly numerous in Allegheny county, Pa., and in Essex county, N. J. In both of these communities the broker as such has practically ceased to be, all former brokers now holding licenses from some particular company or agency, and in many if not all instances receiving full agents' commissions. It is of this class of representatives that the orthodox agent, who maintains his own office, writes his policies and generally performs all the functions required of a fully credited company representative, complains and against whose continuance he vigorously protests.

There is no question but that as a result of the free interchange of views had at the gathering of the Eastern Underwriters Association last week the troublesome non-policy agency problem, provocative of so much feeling in regular agency ranks seems nearer solution.

Associated Companies Extend Field

NEW YORK, Oct. 5.—Through an amendment to the underwriting rules of the Associated Companies, which heretofore have prohibited the writing of public passenger carrying automobile risks in states where compulsory automobile laws and regulations call for coverage against loss of property as well as damage thereto, on the ground that this class of protection was cargo insurance, casualty companies belonging to the organization are now enabled to accept public passenger carrying vehicles, in territory requiring baggage coverage, providing a pledge is secured from the assured setting forth that "he does not and will not transport parcels, express, freight or cargo, and that adequate provision is made for taking care of passengers' luggage."

Complaint Is Filed

A complaint has been filed with the Illinois insurance department by Eldon J. Dick, Oklahoma City attorney, on behalf of a number of the Oklahoma subscribers to the old Associated Employers Reciprocal, asking the Illinois department to refuse admittance to the state to such insurance institutions as may place reinsurance with nonadmitted companies which have not met their obligations in past cases. The reinsurance contract in London Lloyds, carried by the Associated Employers Reciprocal, is cited as a case in point.

OPPORTUNITIES

POSITION OPEN

As Manager Surety Department General Agency, South Bend, Indiana. Commission proposition. Good opening. Give all details first letter. Address C-3, care The National Underwriter.

WANTED

Man thoroughly familiar with Indiana and its agents, by Company writing full Automobile coverage. Address B-100, care The National Underwriter.

In Six States



THE Pennsylvania Casualty Company has attractive territory open for men who desire to sell accident and health insurance with an organization issuing policy contracts free from irritating technicalities and restrictions and covering every kind of accident or disease.

If you are interested in representing a live accident and health company in Pennsylvania, West Virginia, New Jersey, Maryland, Delaware, Ohio, or the District of Columbia, address J. W. Smiley, President and General Manager.

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Seeds we sow in service bring renewals to our agents

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**CASUALTY INSURANCE
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DETROIT FIDELITY AND SURETY COMPANY

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PROGRESSIVE AGENCIES AND THOSE WHO NEED SURETY PROTECTION HAVE FOUND THAT THIS COMPANY MEASURES UP TO THE MOST EXACTING REQUIREMENTS.

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EXCLUSIVELY**

GLOBE & RUTGERS

FIRE INSURANCE COMPANY

111 William St., New York City

January 1st, 1927

ASSETS

Bonds & Mortgages	\$ 149,425.00
U. S. Liberty Bonds.....	518,200.00
Government, City, Railroad and other Bonds & Stocks..	59,564,972.90
Cash in Banks and Office.....	2,434,964.77
Premiums in Course of Collec- tion	8,827,461.77
Interest Accrued	111,020.32
Reinsurance Recoverable on Paid Losses	134,952.12
	<hr/>
	\$71,740,996.88

LIABILITIES

Capital	\$ 3,500,000.00
Surplus	25,610,575.98
Reinsurance Reserve	21,162,599.90
Losses in Course of Adjust- ment	8,362,821.00
Commissions and other Items.	7,100,000.00
Reserve for Taxes	1,005,000.00
Reserve for Depreciation	5,000,000.00
	<hr/>
	\$71,740,996.88

Surplus to Policy Holders - \$29,110,575.98

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Progress since Consolidation in 1899

	ASSETS	RESERVE	SURPLUS
Dec. 31, 1899	\$529,282.59	\$28,832.54	\$2,028.94
Dec. 31, 1910	5,255,362.12	1,936,224.86	2,365,363.37
Dec. 31, 1920	42,765,374.55	16,593,764.16	11,361,311.89
Dec. 31, 1925	67,922,096.58	20,265,572.73	24,161,943.85
Dec. 31, 1926	71,740,996.88	21,162,599.90	25,610,575.98

□ □ □

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